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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
15th DAY OF JANUARY 2008

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 15th day of January 2008, at the place and date duly established for holding of such a meeting.

President Francee Covington called the meeting to order at 4:00 p.m.

Ms. Covington welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Ms. Covington asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Ms. Covington stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Francee Covington, President
London Breed
Linda A. Cheu
Leroy King
Ramon E. Romero
Darshan Singh
Rick Swig

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Fred Blackwell, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. No Reportable Action.

3. MATTERS OF UNFINISHED BUSINESS None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes for the Meeting of December 18, 2007

Commissioner Covington requested an amendment to the minutes to reflect that a five minutes recess was called during Agenda Item No. 6.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. BREED, (MR. SINGH ABSTAINED DUE TO HIS ABSENCE AT THE DECEMBER 18, 2007 COMMISSION MEETING) AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM 4 (a), APPROVAL OF MINUTES: REGULAR MEETING OF DECEMBER 18, 2007, BE ADOPTED.

REGULAR AGENDA

Director Blackwell indicated that Agency Staff making the presentations on Agenda Items 4(b) and 4(c) were not present at this time.

Commission President Covington asked Director Blackwell if he would like to change the order of the Agenda at this time while awaiting the arrival of Agency Staff; it was so moved that Agenda Item 4(d), Election of President and Vice President be heard at this time.

4 (d) Election of President and Vice President (calendar year 2008)

President Covington entertained nominations for the office of President.

COMMISSIONER ROMERO NOMINATED COMMISSIONER FRANCEE COVINGTON FOR OFFICE OF PRESIDENT. COMMISSIONER SWIG SECONDED THE NOMINATION.

President Covington stated that hearing no other nominations for the office of President, the nominations for President were closed.

THE COMMISSION VOTED UNANIMOUSLY TO ELECT MS. COVINGTON AS THE COMMISSION PRESIDENT.

President Covington stated that she appreciated the support and trust from her fellow Commissioners in their vote for her to serve as Commission President.

President Covington entertained nominations for the office of Vice-President.

COMMISSIONER SWIG NOMINATED COMMISSIONER LONDON BREED FOR OFFICE OF VICE-PRESIDENT. COMMISSIONER ROMERO SECONDED THE NOMINATION.

THE COMMISSION VOTED UNANIMOUSLY TO ELECT MS. BREED AS THE COMMISSION VICE-PRESIDENT.

- 4 (b)** Resolution No. 1-2008, Authorizing a Second Amendment to the Personal Services Contract with Willie B. Kennedy, a sole proprietorship, dba W. B. Kennedy & Associates, to increase the contract by an amount not to exceed \$95,000, for a total aggregate contract amount not to exceed \$675,000, to provide increased administrative support, outreach and information services to the Hunters Point Shipyard Citizens Advisory Committee; Hunters Point Shipyard Redevelopment Project Area.

Presenter: Thor Kaslofsky (Agency Staff)

Speakers: Oscar James
Ace Washington
Ollie Mixon

Commissioner King stated that Mrs. Kennedy had previously served as Commissioner of the Redevelopment Agency with him and then went on and became Supervisor; acknowledged what a great leader Mrs. Kennedy is at Hunters Point and congratulated her in her continued good work.

Commissioner King put forth a motion to adopt Item 4 (b).

Commissioner Breed seconded Commissioner King's motion to adopt item 4(b).

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT ITEM 4(b), RESOLUTION NO. 1-2008, AUTHORIZING A SECOND AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH WILLIE B. KENNEDY, A SOLE PROPRIETORSHIP, DBA W. B. KENNEDY & ASSOCIATES, TO INCREASE THE CONTRACT BY AN AMOUNT NOT TO EXCEED \$95,000, FOR A TOTAL AGGREGATE CONTRACT AMOUNT NOT TO EXCEED \$675,000, TO PROVIDE INCREASED ADMINISTRATIVE SUPPORT, OUTREACH AND INFORMATION SERVICES TO THE HUNTERS POINT SHIPYARD CITIZENS ADVISORY COMMITTEE; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4(c)** Resolution No. 2-2008, Public Hearing to hear all persons interested in a Proposed Resolution of Necessity for the acquisition of real property at 200-214 Sixth Street through Eminent Domain by the Redevelopment Agency of the City and County of San Francisco and adopting environmental findings pursuant to the California Environmental Quality Act; South of Market Redevelopment Project Area

President Covington read the following statement:

"I am opening a public hearing to receive comments on the proposed Resolution of Necessity, a resolution which the Commission must adopt before filing an eminent domain action to acquire the real property known as the Hugo hotel, located at the southeast corner of Sixth and Howard Streets. To adopt the Resolution, the Agency Commission must find all of the following:

1. That the public interest and necessity require the proposed project;
2. That the proposed project is planned and located in such a way as to do the greatest public good and the least private harm;
3. That the property to be acquired is necessary for the project; and
4. That the property owner has been offered just compensation

The Commission will first hear from Agency staff, then receive public comments on the proposed Resolution of Necessity. Members of the public will have three minutes each to comment on this item. After the public hearing is closed, the Commission will then discuss the adoption of the Resolution of Necessity. A motion to adopt such Resolution must be approved by at least five Commissioners, which constitutes two-thirds of all Commission members.

Please note, however, that the amount of just compensation that the Agency will pay for the Hugo Hotel property will not be determined in this hearing. Rather, the just compensation amount that the Agency will pay to the property owner will be determined between the Agency, acting through the Commission, and the Hugo Hotel property owner. Alternatively, if the Agency and the property owner are not able to agree, the amount of just compensation will be determined by the court in the eminent domain proceeding.”

Presenter: Jeff White, Agency Staff

Speakers: John Markham; John Melone; Tulsi Zeidman; Brian Wallace;
Paul Lamb; Antoinetta III; Foster Weeks; Tracy Everwin;
Christian Noto; Steve Barton; Regina Flanagan; Matt Drake;
Charles Range; Lisa Hasen; Magne Veimoen

Commissioner Romero stated that he could not recall in the ten years as Commissioner, when this Commission took the first step towards the use of the eminent domain power and indicated that this being a very serious matter, he listened very carefully to the presentation by Mr. White and the remarks read by the President on the purpose of the hearing. Commissioner Romero indicated that it is his belief that the Agency has fulfilled all of the necessary legal steps to adopt this resolution and expressed that this situation meets the conditions of blight, causing a very dangerous situation to the surrounding area and the community, urging staff to continue negotiations and not to waste anymore time since the Commission and the community have been patient with the owners; all steps taken have been reasonable and expressed his concern on why the owners have not been more cooperative with the community. Commissioner Romero indicated that this Commission has not used the power of eminent domain and believes this resolution of necessity is very important for the Commission to adopt. Commissioner Romero made a motion to adopt the resolution and encouraged staff to continue negotiations with the hopes that the outcome will be successful without having to take the next steps but that clearly this is a message that this is a very serious matter and will take the next steps, if necessary. Commissioner Romero made a motion to adopt the resolution and requested a roll call vote.

Commissioner Singh inquired as to when was the last time a meeting was held with the property owner.

Mr. White indicated they meet on January 7, 2008 with the property owner.

Commissioner Singh inquired as to whether anyone representing the property owner was in attendance at the meeting.

Mr. White indicated that Mr. Sam Patel was in the meeting representing the property owners.

Commissioner Singh asked Mr. Patel, who was in the audience, if he wished to say anything.

Mr. Patel declined Commissioner Singh's offer to speak.

Commissioner Singh inquired as to what the difference was in the offer being asked from the appraisals.

Mr. White indicated that the Agency's appraisal, based on the highest and best use is \$3.2M, and the owner's appraisal is land plus the evaluation of the existing improvements which is \$5.6M.

Commissioner Singh indicated that was a large difference.

Mr. White indicated that the purpose of this hearing was not to establish just compensation of the fair market value but the main discrepancy is the existing improvements where the owners and the owners appraiser believes that there is value to the existing improvements, whereas, the appraisal that the Agency Commission concluded that the highest and best use would be to demolish the property. Mr. White indicated that in continuing with the negotiations, an offer has been extended to the property owner to commission a third appraisal that the agency would pay for which the owners would then select the appraiser.

Commissioner Singh inquired if the resolution was approved, would negotiations continue.

Mr. White confirmed that negotiations will continue.

Commissioner Cheu stated that eminent domain is seldom used and should not be taken lightly and clearly used with caution, but had no question that this is exactly the type of situation in which eminent domain should be used. Commissioner Cheu indicated that the Commission and Staff have gone to extreme efforts to try other solutions and strategies which have not worked, particularly given the need for affordable housing in the community and the energy of redevelopment of the neighborhood. Commissioner Cheu expressed her concern that the citizen volunteers and agency staff have been taking a lot of time over the past 20 years in addressing this issue and believes it is time to put a stop to this and move forward. Commissioner Cheu seconded the motion.

Commissioner Breed stated that she agrees with her fellow Commissioners as it relates to this particular project and as a Director of a Art Center she can appreciate the artistic value as it relates to the furniture and the graffiti, but expressed her concern on how terrible the building looks, in particular in that neighborhood. Commissioner Breed stated that she previously had questions several years back due to the fact that members of that community had expressed concerns to her about what the Agency proposed to do. Commissioner Breed indicated that it is unfortunate how redevelopment had abused eminent domain in the past which puts a cloud over using it in the future when it would be necessary to implement but expressed that in this particular case, she believes it is important that the use of eminent domain be exercised in order to deal with this particular matter, and indicated that she whole heartedly was supporting the resolution with the hopes that this would move forward to enable the area to be what it deserves to be.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. CHEU, THAT ITEM 4 (c), RESOLUTION NO. 2-2008, RESOLUTION OF NECESSITY FOR THE ACQUISITION OF REAL PROPERTY AT 200-214 SIXTH STREET THROUGH EMINENT DOMAIN BY THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, BE ADOPTED AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Breed
Ms. Cheu
Ms. Covington
Mr. King
Mr. Romero
Mr. Swig

AND THE FOLLOWING "ABSTAINED":

Mr. Singh

THE SECRETARY DECLARED THE RESULTS OF THE ROLLS CALL VOTE, SIX (6) AYES, AND ONE (1) ABSTENTION.

THE PRESIDENT DELCARED THAT THE MOTION CARRIED AND RESOLUTION NO. 2-2008 WAS ADOPTED.

5. MATTERS NOT APPEARING ON AGENDA

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

Speakers: Todd Clayter
Erris Edgerly
Majeid Crawford
Francisco De Costa
Ace Washington
Antoine Snelgro

7. **REPORT OF THE PRESIDENT**

- President Covington thanked her fellow Commissioners for her nomination and trust as Commission President and looks forward to working with Vice President Breed, as well as her fellow Commissioners.
- President Covington stated that she and her fellow Commissioners attended the Press Conference on the \$82M appropriated by Congress for the clean up of the Hunters Point Shipyard and praised the efforts and work of Speaker Nancy Pelosi, Senator Dianne Feinstein and Mayor Gavin Newsom, all of whom were in attendance at the Press Conference, in securing the cleanup money for the Shipyard.

8. **REPORT OF THE EXECUTIVE DIRECTOR.** None.

9. **COMMISSIONERS' QUESTIONS AND MATTERS.**

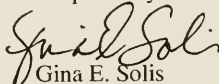
- Commissioner Breed stated the she would like to review the draft budget in a timely manner and to allow sufficient time for the CAC/PAC's input and review of their budgets
- Commissioner Breed requested that a workshop on Disability access be calendared
- Commissioner Breed requested that the Certificate of Preference program be extended to Grandchildren
- Commissioner Breed supported that the deadline for the Muni Sub-Station be extended

10. **CLOSED SESSION:** None.

11. **ADJOURNMENT:**

It was moved by Ms. Breed, seconded by Mr. Swig, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:37 p.m.

Respectfully submitted,


Gina E. Solis
Agency Secretary

APPROVED:

February 5, 2008

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
5th DAY OF FEBRUARY 2008

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 5th day of February 2008, at the place and date duly established for holding of such a meeting.

President Francee Covington called the meeting to order at 4:00 p.m.

Ms. Covington welcomed members of the public and radio listening audience and reminded the public that today is Election Day and if they have not had an opportunity to go to the polls to please go out and vote. Ms. Covington asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Ms. Covington asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Ms. Covington stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. **RECOGNITION OF A QUORUM**

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Francee Covington, President
Linda A. Cheu
Leroy King
Ramon E. Romero
Darshan Singh
Rick Swig

The following were absent:

London Breed, Vice President

Fred Blackwell, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** No Reportable Action.
3. **MATTERS OF UNFINISHED BUSINESS.** None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- 4 (a) Approval of Minutes for the Meeting of February 5, 2007
- 4 (b) Resolution No. 3-2008, Authorizing a Letter Agreement with the City and County of San Francisco, by and through its Recreation and Park Department, to temporarily locate and operate a wood chipper and small crane beginning February 6, 2008 and ending February 29, 2008 on the Agency-owned vacant lot at 1345 Turk Street; Western Addition Redevelopment Project Area A-2

Consent Agenda item 4(b) was withdrawn from the Consent Agenda. The Commission voted on Consent Agenda item 4(a).

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM 4 (a), APPROVAL OF MINUTES: REGULAR MEETING OF JANUARY 15, 2007, BE ADOPTED.

- 4 (b) Resolution No. 3-2008, Authorizing a Letter Agreement with the City and County of San Francisco, by and through its Recreation and Park Department, to temporarily locate and operate a wood chipper and small crane beginning February 6, 2008 and ending February 29, 2008 on the Agency-owned vacant lot at 1345 Turk Street; Western Addition Redevelopment Project Area A-2

Presenter: Audrey Kay (Agency Staff)

Speakers: Ace Washington
Randall Evans
Scott Reese

Director Blackwell indicated that he wanted to be clear with the Commission that the memorandum stated that the item was approved by the CAC which was incorrect; the Recreation and Park Department needs a permit to enter for a few days which, in general, is not an issue that would go to the CAC for their approval since it is only for a few days.

Commissioner Singh put forth a motion to adopt Item 4(b)
Commissioner Romero seconded Commissioner Singh's motion to adopt item 4(b).

Commissioner Romero inquired whether the WACAC was functioning due to comments previously made by the public, the Commission and staff, and does not have the impression that there is a regular meeting body. Commissioner Romero indicated that when the CAC was formed in the Western Addition he was very pleased because in the years prior, the Western Addition community continuously came to testify with the same complaints that they were not informed, that there was no formal body for them to have an input, and they could not get information. Commissioner Romero

indicated that it was his hope that when the CAC was set up, which would give them a process by which there would be some accountability, expressed that it is his impression that it does not seem to be working that way, it appears that they have not been meeting on a regular basis in the past few months.

Director Blackwell indicated that he would give a deeper briefing on the functionality of the CAC but at the present time would briefly report that the CAC is meeting on a regular basis, both as a full body and at the sub-committee level, and believes that a lot of progress has been made in terms of the productivity of the group. Director Blackwell indicated that this item is a very straightforward issue which he believed does not warrant the kind of processes that are usually brought before the CAC with items of long term interim uses.

Commissioner Romero agreed.

President Covington indicated that this is a project of short duration for the good of a very large community; the mini park is in a state of disrepair and DPW needs access to expedite the proper disposal of the trees. Commissioner Covington stated that the current weather conditions is usually inclement of which Mr. Evans' suggestion of a flea market on that site would probably be better during the non-winter months, which does not preclude having some discussion at some point about the flea market, but for now she sees that the DPW work should move ahead.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4(b), RESOLUTION NO. 3-2008, AUTHORIZING A LETTER AGREEMENT WITH THE CITY AND COUNTY OF SAN FRANCISCO, BY AND THROUGH ITS RECREATION AND PARK DEPARTMENT, TO TEMPORARILY LOCATE AND OPERATE A WOOD CHIPPER AND SMALL CRANE BEGINNING FEBRUARY 6, 2008 AND ENDING FEBRUARY 29, 2008 ON THE AGENCY-OWNED VACANT LOT AT 1345 TURK STREET; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED

REGULAR AGENDA

4(c) Update on HOPE SF Program

Presenter: Doug Shoemaker (MOH Staff)
Erin Carson (Agency Staff)

President Covington requested an update on the Agency's commitment, and stated that she believed the Commission has thus far voted for \$5 Million in assistance funding.

Ms. Carson stated \$1.5 Million in predevelopment funds have thus far been expended for the master planning and indicated that staff will be coming back before the Commission on March 18th with a request for approximately \$2.5 in predevelopment funds for Phase I; again in June for funds for the construction of Phase I, and on a regular basis, thereafter. Ms. Carson indicated it is a 10 year project with a total estimated commitment of \$28 Million over the course of the entire project.

Speakers: Angelo King
Espanola Jackson
Russel Morine

Commission Covington stated that she has attended many HOPE SF program meetings and is very happy with the progress of the Public Housing Task Force, and the inter-agency cooperation, and thanked staff for their presentation.

4(d) Workshop on the Draft Visitacion Valley Redevelopment Plan, the Visitacion Valley Preliminary Report and the Schlage Lock / Visitacion Valley Design for Development

Presenter: Tom Evans (Agency Staff)
Sarah Vance (Planning Dept.)

Speakers: Russel Morine

Commissioner Romero inquired as to who is responsible for the toxic substance clean up on this site.

Mr. Evans indicated that there is legal action pending between the two property owners, Ingersoll Rand, the parent company of Schlage Lock, who owns most of the site, are alleged as to having contaminated their neighbors property which is owned by Universal Paragon Corporation (UPC), a land holding company that absorbs much of the railroad spaces from the Southern Pacific Railroad. Mr. Evans indicated that UPC has sued Ingersoll Rand alleging that they are responsible for not only their property, but also their neighboring property which is pending before the court, and thus far, in the 13 month settlement negotiations, have come up with an idea of a third party developer clean up entity to step in and provide some of the gap financing, the insurance coverage, and the technical expertise to do the clean up. The structure of that settlement was such that Ingersoll Rand would provide title to their property to Universal Paragon who would become the master developer owner of the entire site, take on the long term liability for the site, and the third party process would provide the clean up and insurance coverage which, according to Mr. Evans, has turned out to be the most difficult coverage to provide for that avenue for the clean up plan.

Commissioner Romero inquired as to whether the settlement has been final.

Mr. Evans indicated that there has not been a settlement as of yet due to the gap in the insurance coverage. The insurance program that covers the clean up and insurance coverage that would cover the occupancy of the land which is an area of great scrutiny - demolition and new construction, airborne contaminants, exposure for workers - was a liability that the current insurance program they negotiated with did not provide coverage. Therefore, they are arguing over whether they can provide adequate coverage for that insurance and if that settlement falls through, it goes back to the courts and DTSC would reinstitute their order against Ingersoll Rand, and DTSC would then play the regulatory arm in forcing Ingersoll Rand to clean up their property. Mr. Evans indicated that one of the reasons Redevelopment was brought to the table

was for the community's interest in pushing the cleaning of the site along, and that if these other pathways do not work, as a last resort, the Agency would exercise its Redevelopment powers; the Palonco Act, and as a last resort, Eminent Domain, to clean up and redevelop the site.

Commissioner Romero stated his purpose for asking the previous question was because that was a significant part of the delay in the Hunters Point Redevelopment Plan, just waiting for the land to be cleaned up. Commissioner Romero asked for clarification on the timeline of the scheduled hearings.

Mr. Evans indicated the hearings would be before the Redevelopment Commission, the Planning Commission and then the Board of Supervisors. The hearing for the clean up process is the CEQA document to cover the clean up plan programmatically, and also the potential demolition of buildings, and while waiting for the CEQA document to provide clearance, it would be 18 months of clean up work, and would begin the initial phase of construction on the northern part of the site with the southern part of the site having a higher level of contamination, and would require more of a two to three year timeline for clean up.

Commissioner Romero inquired and asked for clarification as to whether, with the timeline proposed, that it looked as though the RFP, on the part of the ordinance site, will be issued in about two years.

Mr. Evans indicated that an OPA is being negotiated with the two property owners that are willing partners, and it is uncertain as to whether they would be seeking third party developers.

Commissioner Swig stated, with the assumption of court jurisdiction, and taking into consideration concerns expressed by Commissioner Romero that Hunters Point was allowed to languish for years, what is the accountability to the land owner to force the start of the two to three year calendar.

Mr. Evans indicated that the Redevelopment Plan is written where it would mandate that the developer, Schlage Lock, enter into an Owner Participation Agreement which would then have a timeline that would be negotiated at that time, and that would be the enforceable document that would leverage the development to get started. Mr. Evans indicated that the Agency would put into the agreements a reasonable timeline, and enforcement of the OPA would be on the Agency.

Commissioner Swig stated that Leland Avenue seems to be the key inspiration to the entrance of the whole neighborhood, and his sense was that is all about Schlage Lock, and expressed concern of the potential risk that the Schlage Lock area could become an "oasis" or "ghetto" because it would be separated from the rest of the neighborhood. Commissioner Swig expressed his concern that the same level and enthusiasm and creativity presented in Mr. Evans' presentation of the Schlage Lock area would not immediately be applied towards Leland Avenue and is concerned that, with Leland Avenue being the main street of Visitation Valley, the real cornerstone where Schlage Lock would be an adjunct neighborhood, asked Mr. Evans to address his concern of Leland Avenue.

Mr. Evans stated that the Planning Dept. conducted a Leland Avenue streetscape redesign plan which has local art and sustainable design concepts, and the streetscape plan is three-fourths funded at this time without Redevelopment's involvement due to the aggressive work by the Planning Dept. and the Mayor's Office of Economic and Workforce Development. Mr. Evans indicated that the issue of the storefronts of the existing commercial buildings; there is currently a neighborhood commercial corridor program in place for Leland Avenue which is not fully funded but is anticipated that a portion of the tax increment from the Schlage Lock site will be used towards a commercial corridor program similar to 6th Street or on 3rd Street, looking at physical improvements to facades and storefronts, economic development opportunities, tenant improvement opportunities, and then provide funds for promotional work as previously done on Fillmore Street and South of Market, with the intention to replicate some of those types of programs for Leland Avenue and Bayshore Blvd.

Commissioner Swig questioned whether the blue dots as shown on the slide in the presentation book was an indication that the buildings are in disrepair, non-compliant or possibly obsolete, and stated that he saw a high concentration along Leland Avenue which breeds a concern that a broken down area where a little bit more than storefront façade may be necessary to link it successfully into the brand new proposed development.

Mr. Evans indicated that there have been discussions on opportunities to provide revitalization funds for some of the housing, with retail on the ground floor and housing above, and will continue to look into similar programs. Mr. Evans indicated that currently, the Agency does not have a current model in the Redevelopment Affordable Housing portfolio but is in discussions with Agency housing staff and will continue that conversation.

Commissioner Covington referred her fellow Commissioners to page 58 of the Visitation Valley Schlage Lock Design for Development which, as she pointed out, had a detailed description on Redevelopment Zone Two; Bayshore Blvd. and Leland Avenue, and also pointed out that the preliminary plan also states that the power of eminent domain will not be exercised on any properties that contain residential units.

Mr. Romero inquired if Little Hollywood is full of single family dwellings.

Mr. Evans indicated that Little Hollywood is almost exclusively single family dwellings with very few apartment buildings throughout Visitation Valley, particularly close to Bayshore Blvd, with predominantly one and two unit buildings.

Commissioner Romero stated that it seemed to be too massive and did not see it fitting into the surrounding neighborhood with Bayshore Blvd. being so big, and divides a neighborhood to begin with. Commissioner Romero indicated that economically, it is much more of an incentive to building many more units than can be built with just single family dwellings, and asked if that was part of the reason.

Mr. Evans indicated that the rationale for the denser development is predominantly the transit proximity to have both a local and regional rail system at the site as one of the key opportunity sites to do a fair amount of housing, estimating around 1,200 units on

the Schlage Lock site and the other rationale for some of the density and a couple of the mid rise buildings is to allow some of those other amenities to take place: to have a very fine grain block structure with lots of streets and open space, the overall density of this site being about 60 units per acre which would allow it to be an open space area, the economics of it also falls into place. Mr. Evans indicated that the Planning Dept. tried to refine the right land use plan and stated that whoever develops it will certainly carry some of the economic costs of clean up.

Commissioner Romero stated that Caltrans operates early in the morning until late at night and inquired as to what the thinking was about building housing that close to the tracks.

Mr. Evans indicated there is noise concern, and expects to see, accordingly to building code, a high rated sound proofing on the buildings closest to the tracks. Mr. Evans indicated, more importantly, was the effort in the idea of Caltrain electrification which is part of their 20/25 plan, electric trains which run much quieter and would also allow the train to stop in Visitation Valley more frequently.

5. MATTERS NOT APPEARING ON AGENDA

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

Speakers: Espanola Jackson
Peter Hartman

7. REPORT OF THE PRESIDENT

- President Covington thanked her fellow Commissioners for adjusting their calendars for the Commission Retreat scheduled for March 4th, has invited the Mayor to the retreat, and asked the Commission Secretary to contact the Mayor's Office to try to get on the Mayor's Calendar; as Commissioner King had mentioned to her, this is something that has been the practice in previous Commission Retreats, and she agrees with that sentiment. President Covington indicated that she would like her fellow Commissioners to reflect on their duties as a policy making body, and believes the retreat will be the ideal time for a dialogue about the policies the Commissioners would like to see in place as they go forward, and stated that it is their responsibility, not simply to respond to other talented people's ideas. President Covington indicated that the Commission Secretary will be calling the Commissioners about a number of other matters relating to the retreat, and in the meantime asked if any of her fellow Commissioner had any ideas about items for the agenda to please let her know.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Director Blackwell introduced and welcomed the new Deputy Executive Director for Community and Economic Development, Stephen Maduli-Williams who came from Chicago where he was Deputy Executive Director for Housing, and prior to that a non-profit in Chicago that focused on economic and community development issues, believes his mix and skills are going to be an asset to the Agency.

- Director Blackwell pointed out to the Commissioners that an Informational Memorandum on the Certificate of Preference Program (COP) were in their folders, and stated that there is a lot of good work and great efforts being made by staff to make sure that Certificate Of Preference holders are found and also deepening the benefits that is associated with the COP. Director Blackwell indicated that he anticipates coming back before the Commission sometime in April with a set of recommendations not only for deepening the program but also expanding it to a broader group of people whose businesses were displaced in the Western Addition and Bayview Hunters Point.
- Director Blackwell announced that on February 6th, from 6 p.m. to 8 p.m., in the Evans Campus, Room 227A at City College, there will be Community Workshop to review a draft preferred design concept for Cargo Way which will incorporate feedback from the last workshop.

9. **COMMISSIONERS' QUESTIONS AND MATTERS**

- Commissioner Romero suggested that they hold the retreat at another location within the city.
- President Covington directed the Commission Secretary to look into other potential locations.

10. **CLOSED SESSION:** None.

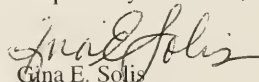
11. **ADJOURNMENT:**

President Covington reminded the listeners that there were still two hours to get to the polls to vote.

Director Blackwell requested that the meeting be adjourned in memory of Ben Hattem.

It was moved by Mr. Singh, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:00 p.m.

Respectfully submitted,


Gina E. Solis
Agency Secretary

APPROVED:

February 18, 2008

**MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
19th DAY OF FEBRUARY 2008**

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 19th day of February 2008, at the place and date duly established for holding of such a meeting.

President Francee Covington called the meeting to order at 4:00 p.m.

Ms. Covington welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Ms. Covington asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Ms. Covington stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Francee Covington, President
London Breed, Vice President (arrived at 5:10 P.M.)
Linda A. Cheu
Leroy King
Ramon E. Romero
Darshan Singh
Rick Swig

Fred Blackwell, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. No Reportable Action.

3. MATTERS OF UNFINISHED BUSINESS. None.

4. MATTERS OF NEW BUSINESS:

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CONSENT AGENDA

- 4 (a) Approval of Minutes for the Meeting of February 5, 2008

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (WITH VICE PRESIDENT BREED ABSENT) THAT CONSENT AGENDA ITEM 4 (a), APPROVAL OF MINUTES: REGULAR MEETING OF FEBRUARY 5, 2008, BE ADOPTED.

- 4 (b) Resolution No. 4-2008, Authorizing a second amendment to the personal services contract with Business Development, Inc., a California corporation, to increase the contract amount by \$28,750, for a total aggregate amount not to exceed \$333,750, and to amend the scope of services to provide increased fiscal agent and administrative support services to the Project Area Committee; Bayview Hunters Point Redevelopment Project Area

Director Blackwell stated that he received a letter today commending Thor Kaslofsky on his work from the Hunters Point Shipyard CAC, and congratulated him.

Presenter: Thor Kaslofsky, Agency Staff

Speakers: Espanola Jackson

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (WITH VICE PRESIDENT BREED ABSENT) THAT ITEM 4(b), RESOLUTION NO. 4-2008, BE ADOPTED

REGULAR AGENDA

- 4(c) Resolution No. 5-2008, Authorizing a First Amendment to the Amended and Restated Personal Services Contract with Treadwell & Rollo, Inc., a California corporation, to increase the contract amount by \$1,657,375 for the period covering November 1, 2007 through December 19, 2009 for a total aggregate amount not to exceed \$2,662,375 for environmental review services in connection with: (1) the enhanced dust monitoring program for the Phase 1 development at Hunters Point Shipyard; and (2) the early transfer of additional property at Hunters Point Shipyard from the United States Department of the Navy to the Agency; Hunters Point Shipyard Redevelopment Project Area

Presenter: Nicole Franklin, Agency Staff

Speakers: Espanola Jackson, Randall Evans, Ace Washington

- 4(d) Resolution No. 6-2008, Authorizing the third year budget for the Agency's three-year contract with ArcEcology, a California nonprofit corporation, to provide environmental outreach and information services to the Bayview Hunters Point Community in an amount not to exceed \$400,000 for a total aggregate amount of \$967,000; Hunters Point Shipyard Redevelopment Project Area.

Presenter: Nicole Franklin, Agency Staff

Speakers: Marcia Dale-LeWinter, Terry Anders, Dr. Veronica Hunnicutt,
Scott Madison, Oscar James, Olin Webb, Angelo King, Marcel Wilson,
Jesse Mason, Espanola Jackson, Claude Everhardt

Commissioner Romero stated that he was in agreement with the speakers that ArcEcology is doing a great job and expressed his appreciation in all they have accomplished, and made a motion to move this item. Commissioner King made a motion to second Commissioner Romero's motion, and stated that when ArcEcology first came before the Commission he voted against them but the Commission overruled him, and voted for Brother Bloom. Commissioner King indicated that since Brother Bloom has been on the job he has been doing a good job, and encouraged him and his team to continue to do the good work they have been doing.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (WITH VICE PRESIDENT BREED ABSENT) THAT ITEM 4(b), RESOLUTION NO. 6-2008, BE ADOPTED

5. **MATTERS NOT APPEARING ON AGENDA:** None

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

Speakers: Ace Washington, Randall Evans, Erris Edgerly, Espanola Jackson

7. **REPORT OF THE PRESIDENT**

- President Covington thanked her fellow Commissioners for clearing their schedules for the retreat scheduled for March 4th to be held at one of the Redevelopment Project Areas, the South Beach Harbor; she extended an invitation to the Mayor but he will not be able to attend since he will be out of town; Aileen Hernandez will be serving as the facilitator. President Covington requested that if there were any suggestions any of her fellow Commissioners would like to discuss at the retreat to please contact her.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- Director Blackwell indicated that there were two informational memorandum's that he wanted to bring to their attention:
 - The HOPWA three year contract is coming to an end and needs an RFP to be reissued
 - Pier 40 RFP for over \$4,000,000 of improvements to the plan
- Director Blackwell indicated that work at the Hunters Point area, retaining walls that were put together by the Agency in 1970 are in disrepair, staff is working together with DPW and the Bayview PAC in coming up with alternatives.

9. **COMMISSIONERS' QUESTIONS AND MATTERS**


- Commissioner Swig inquired as to whether the HOPWA RFQ was a continuing or replacement RFQ; does the new RFQ include the shift in emphasis or is it a copy of the first RFQ.
 - Director Blackwell indicated that it is a new RFQ that reflects the new interest in priorities.
- Vice President Breed indicated that she was under the impression that the Certificate of Preference Program and information on Accessibility Access would be two very important topics on the retreat agenda and asked for clarification.
 - President Covington indicated that the matters Vice President Breed mentioned would be under discussion but stated that there would not be any action items on the agenda.

10. **CLOSED SESSION:** None.

11. **ADJOURNMENT:**

It was moved by Mr. Singh, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:23 p.m.

Respectfully submitted,


Gina E. Solis
Agency Secretary

APPROVED:

March 18, 2008

**MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
18th DAY OF MARCH 2008**

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 18th day of March 2008, at the place and date duly established for holding of such a meeting.

President Francee Covington called the meeting to order at 4:00 p.m.

Ms. Covington welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Ms. Covington asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Ms. Covington stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Francee Covington, President
London Breed, Vice President
Linda A. Cheu
Leroy King
Ramon E. Romero
Darshan Singh
Rick Swig

Fred Blackwell, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. No Reportable Action.

3. MATTERS OF UNFINISHED BUSINESS. None.

4. MATTERS OF NEW BUSINESS:

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CONSENT AGENDA

- 4 (a) Approval of Minutes for the Meeting of February 19, 2008
- 4 (b) Resolution No. 7-2008, Extending the expiration date of a non-binding Term Sheet with 1210 Scott Street, Inc., a California nonprofit public benefit corporation, for the acquisition of Agency-owned property commonly known as 1210 Scott Street (Assessor's Block 729, Lot 46) for the expansion of a private, coeducational high school, which is known as the Jewish Community High School of the Bay, for a period of 30 days to April 30, 2008; Western Addition Redevelopment Project Area A-2.

Vice President Breed stated, for the record, that she was absent for the votes that took place at the February 19th Commission meeting and requested that the minutes reflect that the votes were unanimous with Vice President Breed absent, and made a motion to approve the minutes, as amended.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SWIG, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM 4 (a), APPROVAL OF MINUTES: REGULAR MEETING OF FEBRUARY 5, 2008, AS AMENDED, BE ADOPTED; AND RESOLUTION NO. 7-2008, EXTENDING THE EXPIRATION DATE OF A NON-BINDING TERM SHEET WITH 1210 SCOTT STREET, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE ACQUISITION OF AGENCY-OWNED PROPERTY COMMONLY KNOWN AS 1210 SCOTT STREET (ASSESSOR'S BLOCK 729, LOT 46) FOR THE EXPANSION OF A PRIVATE, COEDUCATIONAL HIGH SCHOOL, WHICH IS KNOWN AS THE JEWISH COMMUNITY HIGH SCHOOL OF THE BAY, FOR A PERIOD OF 30 DAYS TO APRIL 30, 2008; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

REGULAR AGENDA

- 4(c) Resolution No. 8-2008, Conditionally approving the schematic design from Habitat for Humanity San Francisco for seven residential units on a portion of Parcel EE-2 located on the northwest corner of the intersection of Whitney Young Circle and Hudson Avenue; Bayview Hunters Point Redevelopment Project Area

Presenter: Vanessa Dandridge, Agency Staff
Jim Schlesinger, Habitat for Humanity Architect

Speakers: Espanola Jackson, Leela Molex,

Commissioner Cheu inquired as to what the square footage of each unit was.

Mr. Schlesinger indicated that the accessible units are 1600 square feet and the typical units are 1400 square feet

Commissioner Covington inquired as to whether the units were individually owned homes.

Mr. Schlesinger indicated that they are all free standing, unattached individual buildings on separate properties.

Commissioner Covington requested that Mr. Schlesinger detail the difference between ADA compliant versus incorporating the principles of universal design.

Mr. Schlesinger stated that the American for Disabilities Act is a Federal Law and each State sets a set of principle codes for the accessibility standards which is primarily for non-residential use, another set of regulations, the Fair Federal Housing Act, which sets certain regulations for accessibility which the City of San Francisco abides by the Federal Fair Housing Act standards and uses the State code. Mr. Schlesinger indicated that due to the fact that these are single family homes, and because they are not publicly funded, Habitat for Humanity is voluntarily providing 25% of their homes to be accessible using the universal design standards, with very little difference between the specific regulations in terms of universal design principles and the Federal Fair Housing Act standards.

Commissioner Covington inquired as to the price of the units.

Mr. Kilbret, Executive Director of Habitat for Humanity indicated that a price has not been established because they have not begun the outreach process for aggressively working within the neighborhood to seek applications and hopes to keep the price to \$290,000, will be looking for AHP funding from other government funding that may bring the price down of the actual loan amount for the families. Mr. Schlesinger stated that they never sell the homes more than what costs them to built, general operating procedure.

ADOPTION: IT WAS MOVED BY MS. CHEU, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 8-2008, CONDITIONALLY APPROVING THE SCHEMATIC DESIGN FROM HABITAT FOR HUMANITY SAN FRANCISCO FOR SEVEN RESIDENTIAL UNITS ON A PORTION OF PARCEL EE-2 LOCATED ON THE NORTHWEST CORNER OF THE INTERSECTION OF WHITNEY YOUNG CIRCLE AND HUDSON AVENUE; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4(d) Resolution No. 9-2008, Expressing the intent of the Redevelopment Agency of the City and County of San Francisco to issue multifamily mortgage

revenue bonds in one or more series in an amount not to exceed \$24,000,000 to finance the construction of residential facilities known as Armstrong Senior Housing, located on a portion of Assessor's Block 5421, Parcel numbers 003, 005, 006, 007, 008, 009 and 011; Bayview Hunter's Point Redevelopment Project Area; Agency Citywide Affordable Housing Program

Commissioner Swig inquired as to the protocol for selection of occupants for the anticipated building.

Director Blackwell indicated that there is a lottery process and within the lottery process there are preferences that are dedicated for different areas as it pertains to the different redevelopment area plans, regardless of the area, and certificate of preference holders move up to the front of the line when it comes to the selection process.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SWIG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 9-2008, EXPRESSING THE INTENT OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO TO ISSUE MULTIFAMILY MORTGAGE REVENUE BONDS IN ONE OR MORE SERIES IN AN AMOUNT NOT TO EXCEED \$24,000,000 TO FINANCE THE CONSTRUCTION OF RESIDENTIAL FACILITIES KNOWN AS ARMSTRONG SENIOR HOUSING, LOCATED ON A PORTION OF ASSESSOR'S BLOCK 5421, PARCEL NUMBERS 003, 005, 006, 007, 008, 009 AND 011; BAYVIEW HUNTER'S POINT REDEVELOPMENT PROJECT AREA; AGENCY CITYWIDE AFFORDABLE HOUSING PROGRAM, BE ADOPTED.

- 4(e)** Resolution No. 10-2008, authorizing a Third Amendment to a tax increment Grant Agreement with San Francisco Medical Center Outpatient Improvement Programs, Inc. (commonly known as the South of Market Health Center), a California nonprofit public benefit corporation, to extend the term from December 31, 2007, to March 31, 2009, and to increase the grant agreement amount by \$170,476 for a total aggregate amount not to exceed \$2,179,454 for additional predevelopment costs associated with the construction of a health clinic at 227-255 Seventh Street as part of the Westbrook Plaza development; South of Market Redevelopment Project Area.

Presenter: Cathy Pickering, Agency Staff

Speakers: Antoinetta III, Raymon Smith, Brenda Storey, Dick Hodgson, Espanola Jackson, Eleanor Jacobs, Charles Range, Daniel Chan

Commissioner Singh made a motion to move Item 4(e).

Commissioner Romero seconded the motion and complimented Mr. Range and his staff in doing a great job and was very happy in being able to provide them support.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 10-2008, AUTHORIZING A THIRD AMENDMENT TO A TAX INCREMENT GRANT AGREEMENT WITH SAN FRANCISCO MEDICAL CENTER OUTPATIENT IMPROVEMENT PROGRAMS, INC. (COMMONLY KNOWN AS THE SOUTH OF MARKET HEALTH CENTER), A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO EXTEND THE TERM FROM DECEMBER 31, 2007, TO MARCH 31, 2009, AND TO INCREASE THE GRANT AGREEMENT AMOUNT BY \$170,476 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$2,179,454 FOR ADDITIONAL PREDEVELOPMENT COSTS ASSOCIATED WITH THE CONSTRUCTION OF A HEALTH CLINIC AT 227-255 SEVENTH STREET AS PART OF THE WESTBROOK PLAZA DEVELOPMENT; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4(f) Workshop on Accessibility Policy

Presenter: Mayor's Office on Disability - Susan Mizner, John Paul Scott

Speakers: Randall Evans

Director Blackwell introduced the Director of the Mayor's Office of Disability, Susan Mizner, who will provide an Accessibility 101 on the demographics of people with disabilities in San Francisco and definitions regarding accessibility and adaptability. Director Blackwell stated that in culmination with this workshop by the Mayor's Office of Disability and the Agency's Housing Division, the Agency's Housing Division will be making a detailed presentation, in the near future, on the housing activities as it relates to meeting the needs of people with disabilities in the City. Director Blackwell also stated that the Agency is working towards an MOU with the Mayor's Office of Disability in bringing forward, for their recommendation, an official policy as it relates to meeting the needs of people with disabilities in San Francisco.

Ms. Mizner stated that her presentation was a basic primer on the disability demographics in San Francisco, with basic definitions of accessibility in housing and a brief definition on recommendations of what direction they hope the Agency will take. Ms. Mizner also introduced John Scott, Deputy Director for architectural access. The following points were presented by Ms. Mizner:

Demographics:

- 19.3% of the city of sf has a disability according to the 2000 census.
- 37.8% have a physical disability than a mental disability, either psychiatric disability or a cognitive impairment.
- 17.1% have a sensory disability; sight or hearing; may include speech

Physical Disabilities – not limited to wheelchair users:

- Spinal chord and skeletal disabilities
- Heart conditions
- Lung conditions
- Chronic illnesses, immune disorder
- Frailty of age

Disability and Poverty:

- Demographics in San Francisco show that the poorest neighborhoods have the highest rates of disability

Disability and Unemployment rates:

- Working-age (18-64) people with disabilities, only 35% are employed full or part-time, compared to 78% of working-age people without disabilities – a gap of 43 percentage points
- Unemployment rate – actively seeking work
 - People with disabilities are twice as likely as people without disabilities to be actively seeking work (19% versus 9%)

Issues in Housing for People with Disabilities:

- San Francisco has primarily very old, inaccessible housing stock
- Limited accessible and affordable housing
- Isolation from family and friends because of limited housing and visiting options
- Developing a disability often results in homelessness or institutionalization in Laguna Honda

Levels of Accessibility in Housing:

- Accessible Housing:
 - Housing that is completely outfitted for a wheelchair user:
 - Accessible entrance
 - Grab bars installed in the bathroom
 - Lowered counters in the kitchen
 - Turn around space in rooms
 - Lowered bars in closets
- Adaptable Housing - Housing that can quickly and inexpensively be modified to be made accessible:
 - Accessible entrance
 - Backing in walls of bathroom to be able to install grab bars
 - Easily re-positioned portion of kitchen counter
 - Moveable bars in closets

- Visitable - Housing that can receive a visitor in a wheelchair:
 - Accessible entrance
 - One level with an area for a visit (living room, parlor, entryway)
 - One powder room (no bathing facilities necessary)
- Housing Codes
 - The Fair Housing Amendments Act generally has an expectation that multi-unit housing will be Adaptable
 - There are exceptions to this requirement, including townhomes and lofts

Recommendations from Mayor's Office on Disability:

- New Construction
 - Goal of 100% adaptable housing (with exceptions for inaccessible topography)
 - Town homes can be adaptable – require architects to design them as such
- Renovation
 - Recognize the limitations, but recommend no less than 10% adaptable and accessible units

Commissioner Breed asked Ms. Mizner what her experience has been in working with the Agency in terms of accessibility, and realistic goals Ms. Mizner would like to see in order to address accessibility with housing.

Ms. Mizner indicated that the Agency's work has been very good in working around adaptability, and one of the goals she would like addressed is town home designs without the adaptability included. Ms. Mizner indicated that she had looked at a project that contained two units with space in-between that could include a Lula elevator if the entrance to the unit was accessible which is a limited use, does not have turn around radius but is inexpensive – \$50,000 - \$75,000. Ms. Mizner indicated that she has not seen such a design but indicated that it was worth exploring given the investments in town home design. Ms. Mizner indicated that she had an issue with townhomes with the difficulty of going up and down stairs and that the agency can take on more aggressive roles in including adaptability.

Commissioner Breed inquired as to whether the 2%-3% is sufficient to build adaptable units, and if that was the case, why is the Agency not building more adaptable units.

Ms. Mizner indicated that the 2% - 3% is a standard percentage in developing universal design around the country but was not sure about the percentage since it has not been tried in San Francisco. Ms. Mizner indicated that she has asked for the difference in cost between a unit that is standard low income housing development with an elevator in multiple units on different floors and the town home design, but has not gotten the number either.

Commissioner Cheu inquired as to what the Agency's percentage is of housing units that are accessible or adaptable at this time.

Mr. Lee indicated that 95% of all new construction, which includes multi-story buildings, as well as those developments that include town houses are adaptable, and within the stock that is rehabilitated of buildings, close to 9% of those units are adaptable units. Mr. Lee indicated that the problem with the rehab product is the notion of the elevator cap and the inability to replace the elevator cap; units in the building are small that the choice is between saving the number of units or increasing the size of the units to increase the level of adaptable or accessible units.

Commissioner Breed indicated that if there are going to be any changes to the policy, the 9% should be increased considerably and expressed that she was glad to see that the Agency is doing well and would like to strive for 100% adaptable and increase the 9% number in terms of making improvements to buildings. Commissioner Breed indicated that she prefers to have a lower amount of people having decent housing that they can live comfortably in, and people with disabilities having access to housing, more so than the number of units the agency builds.

Commissioner Swig inquired as to what the reality is of going to 100% adaptable and what were the limitations of moving in that direction, does it place restrictions on developing new housing stock because you cannot make it adaptable, does it serve a great number of persons who have disabilities, while at the same time, creating barriers for a percentage of people who need housing stock because they cannot get built due to a policy, or does it hurt those people. Commissioner Swig asked what the downside would be if going 100% adaptable.

Ms. Mizner indicated that the goal was 100% but that one of the barriers they run up against is due to the fact that architects have not been schooled in universal design and in access codes because they generally are not taught in architectural schools and are running up against an industry's lack of experience.

Commissioner Swig inquired if the Agency went 100% adaptability, what barriers would there be in expanding housing stock to the needs of the community.

Mr. Lee stated that the areas of difficulty would be the townhomes and the question of the design due to the need to expand the size of the town home to accommodate the broader accessibility which may reduce the number of townhomes that would be built, the other area of difficulty is topography, areas where the townhomes can be stepped down on a steep hillside. Mr. Lee indicated that those are the areas that are the greatest development obstacles in terms of the numbers of units that you would sacrifice or the cost of the additional excavation of trying to create a level site. Mr. Lee also

indicated that the Agency is trying to be responsive to meet the City's goals as well as the community's goals which have been the desire on the part of the community for the town home design due to the fact that it is more of a single family living environment versus the apartment design.

Commissioner Swig suggested that there be more sensitivity in the terminology as to moving towards the goal of 100% and not to be not so rigid in whatever mandate or recommendation that the Commission provides, and secondarily, in regards to mandate, if the Commission wants to make a statement in support of the suggestions, architects without certification with universal design not be allowed.

Ms. Mizner suggested that the Commission request demonstrated experience for universal design from architects from previous work that is similar or create incentives for designs that provide adaptable units, suggested a 5% bid preference for a plan that would have all the units be adaptable in a town home design. Ms. Mizner indicated that the Agency could move the industry forward by creating incentives to have architects thinking in those ways.

Commissioner Swig indicated that he would support that there be some level of mandate that any architect that works in construction related to housing, have experience in universal design, that way move towards that goal of high percentage of adaptable housing, and move the process forward in the right direction by creating that mandate of knowledge and awareness as the ultimate goal.

Commissioner Covington stated that she was an advocate for universal design and thanked Commissioner Breed for inviting Ms. Mizner and Mr. Scott to make their presentation on accessibility.

Commissioner Breed asked for a point of clarification, based on the suggestions made during the presentation, it was her understanding that staff will bring forth recommendations due to the fact that there is not a current policy on accessibility issues, and staff will be moving towards adopting a policy based on comments today.

Director Blackwell indicated that staff will be coming forward with a more detailed presentation on the housing portfolio and will not only culminate on a policy but are also working on an MOU with the Mayor's Office of Disability to clarify how the departments will work together towards achieving the goals.

4(g) Workshop on the Agency's Fiscal Year 2008/09 Budget

Presenters: Agency Staff: Amy Lee, Mario Menchini, Stephen Maduli-Williams, Olson Lee

Director Blackwell stated that the Agency is the City's primary Housing and Economic Development arm which is reflected in the budget and also reflects a number of activities such as, the creation and maintenance of open space, infrastructure investments and investments in the construction and maintenance of cultural facilities throughout the city. Director Blackwell indicated that the Agency has a very ambitious affordable housing agenda and program with 40% – 70% spent every year on the tax increment financing received from affordable housing, with this year's largest request of almost \$94,000,000 for affordable housing production, the bulk of which is new construction. Director Blackwell also indicated that continuing investment in the Certificate of Preference Program, as well as investments in existing housing stock, such as the expansion of the Model Block Program in Bayview is included in the Housing budget. Director Blackwell indicated that the first goal is to continue the aggressive affordable housing program, the second goal is to complete redevelopment programs in the Western Addition and the Yerba Buena Center and other areas that the Agency is transitioning out of, implement new areas; Transbay, Bayview Hunters Point, as well as on-going and continuing work in the South of Market, Mission Bay and the Hunters Point Shipyard. Director Blackwell pointed out that the Budget presentation will be presented in two phases; this setting with an overview of the entire budget as far as a high level in terms of administration, community and economic and housing, and at the next scheduled Commission meeting, the Budget presentation will consist of a detailed project area by project area view which will detail, in-depth, the goals for each project area, and accomplishments in what he hopes to see happen in the coming year. Director Blackwell stated that staff will be asking for their approval at the April 15th Commission meeting and then submit the budget to the Mayor's Office in May.

Speakers: Ace Washington, Majeed Crawford, Charlie Walker, Leela Molex, Randall Evans, Tennille Fondon, Erris Edgerly

Commissioner Breed referenced the pie chart and inquired as to whether the \$1,000,000 for job training is an estimate, where does it come from, where does the money go to.

Ms. Lee indicated that the pie chart represents grants to Mission Hiring Hall and other job placement groups.

Director Blackwell indicated that the expenditures are split between business development and job training.

Commissioner Breed stated that she had a problem in passing the budget in supporting additional revenues going to Ella Hill Hutch and should be addressed before the budget is approved and also has a problem based on information she received about Renaissance and would like more funds and support earmarked towards Urban Solutions. Commissioner Breed indicated that the budget shows only \$66,000 earmarked for the Western Addition, and asked for more information to address that particular discrepancy. Commissioner Breed also expressed concern about the sale of

the 732-A Parcel due to the fact that it was not decided where the monies were to be earmarked, and noticed it being under the Certificate component which had not been discussed.

Director Blackwell indicated that the money for the Certificate component comes off the sales proceeds from 1210 Scott Street.

Commissioner Breed indicated that the sale of 1210 Scott Street and 732A are under the total of \$9,000,000 would like to know where the other amounts were coming from under Housing Production and Assistance.

Mr. Menchini indicated that of the \$9,000,000, \$5,000,000 is the housing that is contingent upon an amendment to the Western Addition Plan.

5. **MATTERS NOT APPEARING ON AGENDA:** None

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

Speakers: Ace Washington, Majeed Crawford, Charlie Walker, Leela Molex, Randall Evans, Erris Edgerly, Espanola Jackson, Joan Mathis,

7. **REPORT OF THE PRESIDENT**

- Addressed her fellow Commissioners that when there is a full budget discussion that it should be anticipated that it will be a long meeting and that the public will want to comment on how the funds are be appropriated.
- Reported that the Commission Retreat was a success, indicated that Director Blackwell has shared with the Agency's senior staff the topics and concerns of the Commissioners' and how the Commission and Staff find ways to move forward, and more quickly on a number of items that come to them from public comment.
- Reported that she was at the Four Seasons Hotel and went through some of the project areas and things are looking wonderful, the museum from every angle as well as the lane that has Beard Papa
- Congratulated Commissioner Breed and Commissioner Singh on their reappointment to the Commission today

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- The next Budget presentation will be much more detailed on a project area by project area basis and will incorporate the questions received at the meeting tonight into those presentations.
- CRA will have its annual conference in Anaheim and the Agency will be receiving an award for some of the housing work, staff will be attending.

9. **COMMISSIONERS' QUESTIONS AND MATTERS**

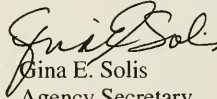
Commission Breed stated that she made a commitment to serve as a Commissioner and represent her community and asked her fellow Commissioners to respect her, as she has respected them, when she has questions and concerns and not to interrupt her in order to be able to do business appropriately.

10. **CLOSED SESSION:** None.

11. **ADJOURNMENT:**

It was moved by Mr. King, seconded by Mr. Singh, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:25 p.m.

Respectfully submitted,


Gina E. Solis
Agency Secretary

APPROVED:

April 1, 2008

**MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
1st DAY OF APRIL 2008**

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 1st day of April 2008, at the place and date duly established for holding of such a meeting.

President Francee Covington called the meeting to order at 4:00 p.m.

Ms. Covington welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Ms. Covington asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Ms. Covington stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Francee Covington, President
London Breed, Vice President
Linda A. Cheu
Leroy King
Ramon E. Romero
Darshan Singh
Rick Swig

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Fred Blackwell, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. No Reportable Action.

3. MATTERS OF UNFINISHED BUSINESS. None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- 4 (a) Approval of Minutes for the Meeting of April 1, 2008,
- 4 (b) Resolution No. 11-2008, Authorizing the Executive Director to enter into a Letter Agreement with the City and County of San Francisco, by and through its San Francisco Public Utilities Commission, to provide security services for switchgear equipment located at Innes Avenue and Earl Street, beginning April 14, 2008 and ending no later than August 16, 2008 for an amount not to exceed \$80,000; Hunters Point Shipyard Redevelopment Project Area
- 4 (c) Resolution No. 12-2008, Authorizing a First Amendment to the Personal Services Contract with McCoy's Patrol Service, a California corporation, to modify the scope of services for security services and increase the contract amount by \$80,000 for a total aggregate amount not to exceed \$1,055,000, subject to appropriation of funds; Hunters Point Shipyard Redevelopment Project Area.
- 4 (d) Resolution No. 13-2008, Adopting an Agency Permit to Enter Policy for the use of Agency owned or leases property by third parties on an interim basis; All Agency Redevelopment Project Areas.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS 4 (a) – 4(d), BE ADOPTED.

REGULAR AGENDA

- 4(e) Resolution No. 14-2008, Authorizing a Predevelopment Loan Agreement with Martin Luther King-Marcus Garvey Square Cooperative Apartments, Incorporated, a California mutual benefit nonprofit corporation, in an amount not to exceed \$1,000,000 for predevelopment costs associated with the rehabilitation of 211 units of low-income cooperative housing; 1680 Eddy Street; Western Addition Redevelopment Project Area A-2.

Presenter: Michele Davis, Agency Staff

Speakers: Carmen Johnson, Linda Yoakum, Arnold Townsend, Carl Williams

Commissioner King stated that he has appreciated everyone's efforts, in particular that of Director Blackwell's, in resolving the many issues to help preserve the housing for the community. Commission King made a motion to move item 4(e).

Commissioner Breed stated that it be clear that the request was for predevelopment costs, with the understanding that additional costs and expenses will be forthcoming in the rehabilitation of the area. Commission Breed indicated that she was disappointed with the deterioration of the structures and hopes that the small amount will contribute towards moving the project forward in a timely manner. Commissioner Breed made a motion to second the item.

President Covington inquired as to whether the current seated board was legal.

Ms. Davis indicated that with the serious complaint and threat of default in January 2005, staff met with the Board to have them understand the seriousness of this situation but were rebuffed as not being a serious issue in terms of the leadership at that time. The election in September allowed the shareholders a means by which they could change their leadership to allow individuals in board seats that understood the gravity of the situation. Ms. Davis offered to have Mr. Carl Williams, legal counsel for the MLK-MGS Board of Directors, answer questions about the legalist of the board.

Commission Covington inquired as to how many people turned out to vote for the new Board.

Mr. Williams indicated that there are 7 members on the Board of Directors with approximately 156 shareholders who were eligible to vote, and in December 2007, they took to the shareholders, for their ascent under the by-laws, the proposed agreement between the Board of Directors of MLK-MGS and Related Company. The agreement required shareholders' ascent due to the fact that it would take two years to implement. Mr. Williams indicated the shareholders voted with a written ascent form, supervised to ensure its propriety with members of the Redevelopment Agency staff participating, along with representatives from both Supervisor Mirkarimi's office, and Congresswomen Pelosi's office, to supervise the election. Mr. William indicated that he did not have the exact tabulation but that it was an overwhelming majority of the eligible shareholders voting to authorize the agreement between Related Company and MLK-MGS.

Commissioner Covington inquired as to whether there was a simultaneous vote on seating the new Board.

Mr. Williams indicated that the Board was voted in on September, 2007, also supervised, and he was not aware of any credible objections to the propriety of that election which resulted in one new person coming onto the Board and one person from the previous Board losing his seat. Mr. Williams also stated that subsequent to the election, a Board meeting was held to elect the officers as a result of the election by the shareholders, the election was properly noticed, shareholders were apprised of the meeting with the resulting vote of Linda Yoakum, President; Carmen Johnson, Vice

President; Marva Brooks, Secretary; and Abe Landry, Treasurer, with no one contesting the election of officers.

President Covington stated the purpose of her questions were due to a letter received this date, signed by all of the deposed members of the former board and wanted it as a matter of public records as to the details for the new election of officers.

ADOPTION: IT WAS MOVED BY MR KING, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 14-2008, BE ADOPTED.

- 4(f) Resolution No. 15-2008, Expressing the intent of the Redevelopment Agency of the City and County of San Francisco to issue multifamily mortgage revenue bonds in one or more series in an aggregate amount not to exceed \$18,000,000 to finance the acquisition and rehabilitation of residential facilities at 1615 Sutter Street by Nihonmachi Terrace Limited Partnership; Western Addition Redevelopment Project Area A-2.

Presenter: Jeff White, Agency Staff

Speakers: Will Tsykomoto, Jeff Matsuoka, Rev. Fleming, Richard Grange, Bob Hamaguchi, Sandi Mori, Linda Hillis

Commissioner Singh asked who the underwriter is for the bonds, what the interest rate is, and what the term of the bonds is.

Mr. White stated that Devine and Gong are the financial advisors and the fixed interest rate at the time the bonds are issued would be 5.85%, with a 30 year term.

Commissioner Cheu made a motion to second Commissioner Singh's motion and thanked all involved for being proactive in maintaining the long term affordability, and also complimented the communication between the Board and the residents for a good process.

ADOPTION: IT WAS MOVED BY MR SINGH., SECONDED BY MS. CHEU, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. - 2008, 15-2008, BE ADOPTED.

- 4(g) Workshop on the Agency's Fiscal Year 2008/09 Budget

Presenters: Agency Staff: Stephen Maduli-Williams, Amy Neches, Mike Grisso, Gaynell Armstrong-McCurn, Lisa Zayas-Chien, Nicole Franklin, Tom Evans

Speakers: Ace Washington, Randall Evans, Norman Butler, Daniel Landry, Doug Evans, Adrain Williams, Silvia Johnson

Commissioner Breed stated that she had the same question about the Mexican Museum as to whether or not it will be a reality and what is listed in the budget is similar to the previous budget. Commissioner Breed indicated that before the budget is approved, she would like to know, realistically, what is going to happen with the Museum.

Ms. Neches indicated that the Agency has been working on the Museum project for many years, originally entered into an agreement with the Mexican Museum in 1993 and has proven to be a difficult project, looking at trying to move the museum forward through a larger combined mixed use project along the line of what the St. Regis and MoAD were done together in order to use private development to help fund the nonprofit portion. Ms. Neches indicated that staff will be coming back before the Commission in a closed session at a future date to discuss further details of the Mexican Museum. Ms. Neches indicated that it is difficult to say at this time how realistic it will be, noted that there is no agency funding in the budget that has not already been part of the budget for many years, and noted that it has been a very difficult project to move forward.

Commissioner Breed indicated that she would like, prior to the approval of the budget, a breakdown of the total amount, from start to finish, on how much the Agency has given to all the respective museums in the Yerba Buena.

Commissioner Breed stated that she expressed her concern at the last budget workshop about Renaissance, and will submit a series of questions to be answered for that particular organization.

Commissioner Breed requested how much the Yacht Club pays the Agency annually.

Ms. Neches indicated she did not currently have that information, but would provide it to her.

Commissioner Breed asked whether the WACAC or Agency staff made the decision to repair the Blue Bridge panels and to allow it to continue in its same location.

Ms. Armstrong-McCurn indicated that due to the cost of removal of the panel, it was decided that the best course of action was to repair the broken panels and to leave the bridge in place with DPW to take over the maintenance, and to set aside a source of funds to repair with an annual cost of \$30,000 for maintenance.

Commissioner Breed indicated she will submit further questions due to her concerns about moving forward with the Blue Bridge project and will submit further questions in reference to the overall budget.

- 4(h) Resolution No. 16-2008, Authorizing a second amendment to the Personal Services Contract with Wagstaff and Associates, a California Corporation,

to extend the schedule of performance and to increase the budget by an additional \$95,610, for a total aggregate amount not to exceed \$400,795 to prepare an Environmental Impact Report; Visitacion Valley Redevelopment Survey Area

Presenter: Tom Evans, Agency Staff

Speaker: Sylvia Johnson

Commissioner Swig indicated that this project is extremely important, a wonderful opportunity for the whole southern part of the city. Commissioner Swig made a motion to move item 4(h).

Commissioner Breed seconded item 4(h).

ADOPTION: IT WAS MOVED BY MR SWIG., SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. - 2008, 16-2008, BE ADOPTED.

- 4(i) Resolution No. 17-2008, Authorizing the Executive Director to negotiate and enter into a Personal Services Contract with Seifel Consulting Inc. to provide consulting assistance toward redevelopment plan amendments and affordable housing strategies for the Combined Hunters Point Shipyard / Candlestick development project and Bayview Hunters Point Area C, for an amount not to exceed \$750,000; Bayview Hunters Point and Hunters Point Shipyard Redevelopment Project Areas

Presenter: Tom Evans

Speaker: Diane Wesley Smith

Commissioner Singh indicated that first preference should be given to businesses such as Ms. Smith's who reside and do business in the Bayview-Hunters Point. Commissioner Singh made a motion to move item 4(i)

Commissioner Romero made a motion to second Commissioner Singh's motion.

Commissioner Swig stated, as in the previous item, the need to be aggressive in moving the Redevelopment of the southern part of San Francisco forward, very exciting and very important to the community. Commissioner Swig indicated that it was very interesting that the previous speakers comment emerged at this point because he remembered at his second meeting as Commissioner, the first words that he commented was the importance of involving, especially in the real estate brokerage area, local community participants because people buy from people who they trust, people buy from people in their community. Commissioner Swig reiterated his comment from the past that it should be a very major focus of

Agency staff to involve local community real estate brokers in the process of development of the Bayview Hunters Point area.

ADOPTION: IT WAS MOVED BY MR SINGH, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 17-2008, BE ADOPTED

- 4(j) Resolution No. 18-2008, Authorizing an Amended and Restated Tax Increment Loan Agreement with Mercy Housing California, a California nonprofit public benefit corporation, to increase the loan amount by \$6,745,338, for a total aggregate amount not to exceed \$12,952,232 for the construction of 49 very low income family rental units at Westbrook Plaza, 227-255 Seventh Street, and adopting environmental findings pursuant to the California Environmental Quality Act; South of Market Redevelopment Project Area.

Presenter: Vanessa Dandridge, Agency Staff

Speakers: John Gressman, Dr. Ana Valdes, Raymon Smith, Charles Range

Commissioner Cheu indicated that she is glad to see the project moving forward and made a motion to move item 4 (j).

Commissioner Singh inquired as to the number of parking spaces and if they are shared parking.

Mr. Range indicated that the Health Center will have 23 parking spaces during normal working hours and after they close, the residents will have access to all parking spaces.

Commissioner Singh asked what the hours of operation for the Health Center were.

Mr. Range indicated Monday – Thursday, 8 a.m. – 5 p.m., Friday's, 8 a.m. – 3 p.m. on; Saturday's, 8am – 3pm and 24 hour on call services.

Commissioner Breed inquired as to the significant increase to the loan.

Ms. Dandridge stated that when the Agency committed the \$931,000 for the housing portion of the project, it was anticipated that the total subsidy that would be required from the Agency would be \$14.2M and anticipated coming back to the Commission for the balance of the subsidy prior to submitting the tax credit application. Ms. Dandridge also indicted that the amount is less than previously projected in 2006 due to the changes in the tax credit basis limits, and the project sponsor can raise more tax credit equity.

ADOPTION: IT WAS MOVED BY MS CHEU, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 18-2008, BE ADOPTED.

- 4(k) Resolution No. 19-2008, Approving the request from the Yerba Buena Center for the Arts to name their theater the “Yerba Buena Center for the Arts Novellus Theater” pursuant to the Amended and Restated Agreement for the Operation of Cultural Facilities by and between Yerba Buena Center for the Arts and the Redevelopment Agency of the City and County of San Francisco, Yerba Buena Center Redevelopment Project Area.

Presenter: Cathy Pickering, Agency Staff

Speakers: Belva Davis, Heather Hoell, Theodora Lee, Ken Foster

Commissioner Swig congratulated YBCA for being an integral part of the arts community in San Francisco and for recognizing the need for corporate funding, noticed that the funding is for an 11 year period but does not see the commitment for the sign and asked if the sign that says “Novellus Theatre” is required for 11 years as well. Staff indicated affirmatively. Commissioner Swig made a motion to move item 4(k).

Commissioner Cheu asked what the overall budget was for YBCA and asked Mr. Foster if he was comfortable with the amount of sponsorship.

Mr. Foster indicated affirmatively, and indicated it was an important negotiation between them and Novellus over the size and scope of the agreement.

Commissioner Breed inquired how much of the funding from the annual budget comes from the Redevelopment Agency and what the total investment is from the Agency.

Ms. Pickering stated YBCA receives \$3.5M annually from the Agency and indicated she would get back to Commissioner Breed as to the total amount of funds invested by the Agency.

Commissioner Breed indicated that the Agency’s investment in the property is extremely significant and understands that the naming rights are for the Theatre, but asked that if it was realistic that it would be in the best interest, based on the Agency’s investment to move forward on this project.

Ms. Pickering indicated YBCA holds fundraisers for over half of their budget and the funds requested would help provide a stable funding source to better serve the arts community in San Francisco.

Mr. Foster indicated that many arts organizations in the city receive grants from the arts, hotel tax, and arts commission, of which they do not, due to the significant contributions from the Redevelopment Agency.

Commissioner Romero stated his support of the funds, asked who holds title to the building.

Ms. Pickering indicated that the agency owns the property and helped to create the nonprofit to manage the facilities.

President Covington stated that she felt it was too little money over too long a period of time, would only support the request if the \$3M was put into an escrow fund should anything happen with Novellus, and the Agency would not be left with the signage. President Covington indicated that she would like some type of assurance that the \$3M is going to be accessible to the Agency should anything happen to Novellus.

Mr. Foster indicated that the attorneys representing YBCA worked with Novellus' attorney's to ensure that the agreement was structured as a contract and not as a contribution.

Commissioner Covington indicated that she wanted assurance from Novellus that the \$3M is set aside for YBCA should anything happen, and asked Mr. Foster to speak to his attorney about implementing the structure of the document.

Commissioner Swig indicated that he made a motion to move this item and continues to support the item, but in hearing Commissioner Covington's point of view and his concern on the term, will support the item with the caveat that the funding be guaranteed in an escrow account or something that would place the Agency in first place to fulfill this funding, and without that, he cannot support the item.

Commissioner Covington asked Commissioner Swig if he was amending his motion to move this item.

Commissioner Swig affirmed that he would support the item with the caveat in support of Commissioner Covington's point of view that funding for the signage be in place in an escrow account or some personal guarantee.

Commissioner Romero stated rather than jeopardize the good will that has gone into this agreement that the solution would be just to take the sign off if the funding stops.

Director Blackwell suggested that the item be continued to address the concerns and come back with an alternative proposal.

Commissioner Covington stated that she would be remiss in her responsibility as Commissioner if she did not express her concerns, and asked for clarification on parliamentary procedure as to whether Commissioner Swig is to withdraw his amendment to the motion.

Commissioner Swig stated that he withdraws his motion pending further review and made a motion to continue the item to another date.

Mr. Foster stated that this was their first significant naming opportunity they have had and would be more than happy to go back and see what he can do to assure the Commissioners, but could not promise that he would be able to be back with a deal, that it may not be something he can negotiate.

Commissioner Covington indicated that she understood and stated that when he speaks with Novellus to emphasize that the Agency are their major donors.

Commissioner Breed made a motion to adopt the item and stated that her intention was more so to acknowledge the fact that the Agency is a major contributor and to acknowledge that the public funds are to revitalize communities, understands the concerns about the receipt of the funds and supports in moving forward in reconsidering the item, recognizes that the agency does contribute a significant amount but does not want YBCA to miss out on this opportunity and would like to see this item move forward, and trusts the hard working dedicated staff to work things out in the best interest of the agency which they do so well.

Commissioner Singh stated that he agrees with Commissioner's Breed and Romero and made a motion to second the motion.

Commissioner Cheu supported moving the item forward and indicated that there is no guarantee in the arts world for any source of funding due to the economy and agrees to take the sign off should the funding stop.

Commissioner Romero indicated that he also supported that the item move forward.

ADOPTION: IT WAS MOVED BY MR. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, WITH COMMISSIONER SWIG AND COMMISSIONER COVINGTON ABSTAINING, THAT RESOLUTION NO. 19-2008, BE ADOPTED

- 4(l)** Resolution No. 20-2008, Granting a variance from the off-street freight loading requirements and an exception from the bulk limits of the Yerba Buena Center Redevelopment Plan for the redevelopment of 680-690 Folsom Street and 50 Hawthorne Street (Assessor's Block 3735, Lots 013-017); Yerba Buena Center Redevelopment Project Area

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, WITH COMMISSIONER SWIG ABSENT, THAT RESOLUTION NO. 20-2008, BE ADOPTED

- 4(m)** Resolution No. 21-2008, Conditionally approving the schematic design for a proposed development located at 680-690 Folsom Street and 50 Hawthorne Street (Assessor's Block 3735, Lots 013-017), including: (1) renovation and expansion of the existing office building at 680 Folsom Street, renovation of the existing office building at 50 Hawthorne Street, demolition of the existing building and potential installation of temporary landscaping at 690

Folsom Street and (2) redevelopment of the 690 Folsom Street portion of the site as a new approximately 15,040-square-foot retail and atrium development; Yerba Buena Center Redevelopment Project Area

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, WITH COMMISSIONER SWIG ABSENT, THAT RESOLUTION NO. 21-2008, BE ADOPTED

- 4(n) Resolution No. 22-2008, Authorizing an Owner Participation Agreement with Hawthorne Folsom Place LLC, a Delaware limited liability company, for a two-phased development at 680-690 Folsom Street and 50 Hawthorne Street (Assessor's Block 3735, Lots 013-017) which will include: (1) renovation and expansion of the existing office building at 680 Folsom Street; renovation of the existing office building at 50 Hawthorne Street; demolition of the existing building at 690 Folsom Street and also the potential installation of temporary landscaping at 690 Folsom Street; and (2) as to the 690 Folsom Street portion, either the construction of an approximately 15,040-square-foot retail and atrium development or the potential sale of the property to the Museum of Performance and Design for development of a museum facility; Yerba Buena Center Redevelopment Project Area.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, WITH COMMISSIONER SWIG ABSENT, THAT RESOLUTION NO. 22-2008, BE ADOPTED

5. **MATTERS NOT APPEARING ON AGENDA:** None

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

7. **REPORT OF THE PRESIDENT:**

- Congratulated Commissioner Breed and Commissioner Singh on their reappointment and swearing in by the Mayor

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- Congratulated the Agency's Housing staff for receiving the California Redevelopment Agency(CRA) award for their work on Mission Creek Senior Housing, a Mercy Housing project in the Mission Bay Area


9. **COMMISSIONERS' QUESTIONS AND MATTERS**

10. **CLOSED SESSION:** None.

11. **ADJOURNMENT:**

It was moved by Mr. King, seconded by Mr. Singh, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:40 p.m.

Respectfully submitted,


Gina E. Solis
Agency Secretary

APPROVED:

April 15, 2008

**MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
15th DAY OF APRIL 2008**

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 1st day of April 2008, at the place and date duly established for holding of such a meeting.

Vice President London Breed called the meeting to order at 4:05 p.m. and indicated that President Covington had not yet arrived.

Ms. Breed welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Ms. Breed asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Ms. Breed stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

London Breed, Vice President
Linda A. Cheu
Leroy King
Ramon E. Romero
Darshan Singh
Rick Swig

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Absent: President Covington
Commissioner Cheu

Fred Blackwell, Executive Director, and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. No Reportable Action.

3. MATTERS OF UNFINISHED BUSINESS. None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- 4 (a) Approval of Minutes for the Meeting of April 15, 2008
- 4 (b) Resolution No. 23-2008, Authorizing a Tax Increment Loan Agreement with Balwantsinh and Lataben Thakor, owners of the Kean Hotel, for an amount not to exceed \$100,000, pursuant to the Single Room Occupancy Hotel Rehabilitation Loan Program, for rehabilitation activities at the Kean Hotel located at 1018 Mission Street; South of Market Redevelopment Project Area
- 4 (c) Resolution No. 24-2008, Authorizing a First Amendment to the Owner Participation Agreement with 766 Harrison, LLC, a California limited liability company, to allow for office space on the ground floor of the residential development at 766 Harrison Street, located between Fourth and Lapu-Lapu Streets (Assessor's Block 3751, Lot 153); Yerba Buena Center Redevelopment Project Area
- 4 (d) Resolution No. 25-2008, Authorizing a Settlement Agreement and Release of Claims in the Lawsuit entitled San Francisco Historic Resources Advocates, et al. v. San Francisco Redevelopment Agency, et al., (San Francisco Superior Court, Case No. 07-507948, filed Dec. 26, 2007) (claim against the environmental review of Agency's amendment to its Transfer of Development Rights Policy); Rincon Point - South Beach Redevelopment Project Area; Yerba Buena Center Redevelopment Project Area
- 4(e) Resolution No. 26-2008, Authorizing submittal of an application to the State of California's Department of Housing and Community Development for funding under the Infill Infrastructure Grant Program for infrastructure improvements (the "Program"); the execution of a standard agreement if selected for such funding and any amendments thereto; and any related documents necessary to participate in the program; for: (1) \$1,000,000 for Transbay Block 11a and (2) \$29,000,000 for the development of the Transbay Transit Center on behalf of the Transbay Joint Powers Authority; Transbay Redevelopment Project Area
- 4(f) Resolution No. 27-2008, Authorizing submittal of an application to the State of California's Department of Housing and Community Development for funding under the Infill Infrastructure Grant Program for infrastructure improvements (the "Program"); the execution of a standard agreement if selected for such funding and any amendments thereto; and any related documents necessary to participate in the program for \$25,021,079 for Phase 1 of the of the Hunters Point Shipyard Redevelopment Project Area; Hunters Point Shipyard Redevelopment Project Area

President Francee Covington and Commissioner Cheu arrived at 4:10 p.m.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SWIG, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS 4 (A) – 4(F), BE ADOPTED.

REGULAR AGENDA

- 4(g) Resolution No. 28-2008, Commending and Expressing appreciation to Mario Menchini for his services on the occasion of his retirement from the Redevelopment Agency of the City and County of San Francisco

Presenter: Amy Lee, Agency Staff

Commissioner Romero put forth a motion to adopt Item 4(g); expressed his appreciation to Mr. Menchini for his many years of service at the Agency.

Commissioner Singh seconded the motion to adopt Item 4(g), expressed his appreciation to Mr. Menchini.

Commissioner Breed expressed her appreciation to Mr. Menchini for his detailed work at the Agency, his dedication and commitment.

Ms. Cheu expressed her appreciation to Mr. Menchini for his patience with regards to the many questions presented to him on the Budget, and stated that the Agency was very fortunate to have had someone so professional and competent in such a highly complex position.

Mr. King expressed his appreciation and wished Mr. Menchini best wishes in his future endeavors.

Ms. Covington expressed her congratulations to Mr. Menchini and thanked him in helping her understand the budget process, and for his many years and dedication to the Agency.

Speaker: Mario Menchini

ADOPTION: IT WAS MOVED BY MR ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 28-2008, BE ADOPTED.

- 4(h) Resolution No. 29-2008, Approving the proposed budget for the fiscal year period from July 1, 2008 through June 30, 2009 and authorizing the Executive Director to submit the Budget to the Mayor's Office

Presenter: Amy Lee, Deputy Executive Director, Finance

Speaker: Melisa Tucker

Director Blackwell stated that the developer for Parcel 732-A was in the process of renegotiating some terms of the Disposition and Development Agreement which would not affect the use side of the budget, and will be going back to the WACAC and the Commission to discuss those changes.

Commissioner Breed put forth a motion to adopt Item 4(h). Commissioner Breed expressed her appreciation to staff for their hard work in their presentations of the budget workshops which resulted in resolving issues expeditiously.

Commissioner Romero seconded Commissioner Breed's motion to adopt Item 4(h) in honor of Mr. Menchini's retirement.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 29-2008, BE ADOPTED

(ITEMS 4(i) and 4(j) were discussed together, but acted on separately)

- 4(i) Resolution No. 30-2008, Public Hearing to hear all persons interested in 1210 Scott Street, Assessor's Block 729, Lot 46; Western Addition Redevelopment Project Area A-2, Authorizing (1) a Disposition and Development Agreement, (2) a First Amendment to the Amended Owner Participation Agreement and Third Amendment to the Agreement for Disposition of Land for Private Development, and (3) a First Amendment to the Exchange Agreement, all with 1210 Scott Street, Inc., a California nonprofit public benefit corporation, for the acquisition of the property commonly known as 1210 Scott Street (Assessor's Block 729, Lot 46) for the development of a 14,690-square-foot gymnasium and approximately 14 classrooms associated with the Jewish Community High School of the Bay; Western Addition Redevelopment Project Area A-2

Director Blackwell stated that, upon approval of the term sheet by the Commission, staff was directed to work with the WACAC and members of the community on the development of a plan for the use of the \$4,000,000, which was part of the sales proceeds. Director Blackwell indicated that, immediately following the two items, David Sobel of the Agency's Housing Division would be presenting a Workshop to discuss the process and use of the \$4,000,000, as recommended by staff and the WACAC.

Presenter: Tracie Reynolds, Agency Staff

Speakers: Robert Spear

Commissioner Romero congratulated and commended all in working together in resolving many issues. Commissioner Romero put forth a motion to adopt Item 4(i).

Commissioner Breed expressed her concern and asked for clarification about the public use of the gym; it was her understanding the gym would be open and available on non school hours during the summer months when it was not in use.

Ms. Reynolds stated that the school is currently proposing to enter into an agreement with non-profits to staff and manage the gym since representatives from the school will not be available during non school hours.

Commissioner Breed indicated that it was her understanding that the financial responsibility would be shared in some form with the community organization(s) or group(s) managing the gym.

Ms. Reynolds stated that the compromise would be that a non-profit would provide the required insurance and adult supervision.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 30-2008, BE ADOPTED.

- 4(j) Resolution No. 31-2008, Conditionally approving the schematic design for interim landscaping and a proposed 14,690-square-foot gymnasium and approximately 14 classrooms associated with the Jewish Community High School of the Bay, located on the property commonly known as 1210 Scott Street (Assessor's Block 729, Lot 46); Western Addition Redevelopment Project Area A-2

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 31-2008, BE ADOPTED

- 4(k) Workshop on the Certificate of Preference Home Buyers Assistance Program

Presenter: David Sobel, Agency Staff

Speakers: Diane Wesley Smith
Kelly Dearman
Arnold Townsend
Doris Vincent
Regina Davis

Director Blackwell stated that the workshop was to provide the Commission with a preview of the loan program, and to provide information on the use of the sales proceeds from the sale of the land. Director Blackwell indicated that staff would be coming back before the Commission in May with a number of enhancements and recommendations to the Certificate of Preference Program (COP).

Commissioner Romero praised how the COP Loan Program will benefit the COP holders and thanked all who worked on it.

Commissioner Breed stated that based on the work the Agency has done in researching the COP holders, she would like to structure a time limit only to Western Addition residents to allow sufficient time and opportunity, and suggested that a time limit be placed on eligibility requirements only to COP holders. Commissioner Breed also suggested that she would like to add COP holders who are market rate certificate holders on the list of people who are eligible, and that a COP holder should not be penalized because they are no longer in a lower income bracket.

President Covington asked Commissioner Breed if she had a suggested time limit on the Western Addition residents.

Commissioner Breed suggested a 5 year minimum time limit, but should allow the WACAC to discuss the time limit and come back with a recommendation.

Commissioner Cheu asked for clarification if the funds would be available to COP holders, and would they be eligible to purchase homes anywhere in the City. Commissioner Cheu also inquired when the working group would meet again to discuss the issues brought before them, and come back to the Commission with a recommendation

Mr. Sobel indicated that the proposal would be that COP holders can purchase homes anywhere in San Francisco, and indicated that staff will be back before the Commission with the proposed suggestions and recommendations from the workshop in a final proposal for action.

Commissioner King indicated that most of the COP holders were from the Western Addition area, with some having relocated to the Bayview Hunters, and agreed with Commissioner Breed that there be a time limit with the Western Addition residents given first preference.

Director Blackwell stated that at the May 20th meeting, enhancements to the loan program would be brought back along with other considerations, such as, expanding the COP holders not only to the head of household, but to children of the householder, regardless of the fact whether or not they are on the site occupancy report. Director Blackwell indicated that staff is looking at bringing a recommendation to extend the amount of time that the COP is

operable. Director Blackwell also indicated that another recommendation may be to extend the benefit beyond children and include grandchildren of the original householder with the argument being that there is continued harm to their experiences as a result of being displaced whether or not they were the actually displacee.

Commissioner Swig asked for clarification on the second loan program aspect.

Mr. Sobel pointed out that, as an example, a home purchased for \$200,000 with a \$100,000 loan from the COP loan program, subsequently, when the property is resold for \$300,000, the agency would get the original \$100,000 return plus it's share, or 50% of increase in value would go back into the fund to be used for additional COP holders to purchase homes in the same manner.

Commissioner Singh asked for the total amount of COP holders.

Director Blackwell stated that there are 5,300 COP holders; 4,700 from the Western Addition; 1,100 from the Hunters Point Area; 23% of the 4,700 have exercised their COP, and 46% from the Hunters Point area have exercised their COP.

President Covington stated that staff would continue the search for COP holders to inform them of the many opportunities that they may be able to avail themselves of. President Covington expressed her appreciation to the working groups in their efforts of trying to strategize the process and use of the \$4,000,000, and going through details of deciding how to revamp the COP program. President Covington stated that both presentations and recommendations are scheduled for the Commission meeting of May 20th.

Commissioner Romero inquired if the Agency would need to amend the State Law in order to extend the expiration deadline for COP.

General Counsel Morales stated that the Agency Commission set the rule when the COP was originally set up, and do not have to go to the State legislature to extend the deadline.

- 4(l) Resolution No. 32-2008, Authorizing an Amended and Restated Garage Management Agreement with EJI-HSM Property Management Company, LLC, a California limited liability company, to permit the Agency to pay for approved operation deficits in an amount not to exceed \$100,000 associated with the management and operation of the Agency's public parking garage on Agency Parcel 732-A; Western Addition Redevelopment Project Area A-2

Presenter: Ricky Tijani, Agency Staff

Commissioner Swig congratulated the developer of the Fillmore Center but stated that he has parked at the garage on a few occasions and noticed that in each visit the parking garage has been empty, completely underutilized, and did not see any signage nor marketing, and does not seem that there is any effort being made on behalf of the garage manager to inform the public that the garage is available and open for business. Commissioner Swig indicated that he was not going to move on this item for those reasons since it seems that the parking garage management seems disinterested and are not making any efforts, considering all the business taking place at Yoshi's and 1300 Fillmore, which should have the garage at full capacity. Commissioner Swig urged the parking management to put up signage throughout the area to let the public know that the parking garage is open and encouraged the parking management to aggressively start marketing through Yoshi's, 1300 Fillmore, and local businesses. Commissioner Swig asked if 24 hour parking was allowed at this point.

Mr. Tijani stated that currently, there is no 24 hour parking but the parking management is proposing that the existing 20 parking spaces that were limited to parking from 6:00 a.m. to 6:30 p.m. be converted to allow 24 hour parking. Mr. Tijani stated that the tenants indicated the need for more parking spaces, and the concern was that there would be a limited number of daytime parking.

Commissioner Swig suggested that the money be made filling the garage during the day and marketing it appropriately through Yoshi's and 1300 Fillmore, and other businesses, to fill it up during the evening when there is a lot of demand and traffic in the area. Commissioner Swig asked what the incentive for management to perform is.

Mr. Tijani indicated that the incentive is that they have the existing opportunity to manage the garage.

Commissioner Romero stated that he appreciates Commissioner Swig's questions and indicated that everyone should take heed to them and do everything possible to make the garage work. Commissioner Romero put forth a motion to adopt Item 4(l). Commissioner Romero asked for clarification of the deficit reduction strategy.

Mr. Tijani stated that Yoshi's had anticipated that the garage was going to over-subscribed, and were concerned that they would not have enough parking spaces, therefore, they made an agreement with the other garages in the neighborhood, overflow of cars would then be parked at other garages. Mr. Tijani indicated that since that is not the case, all cars are being directed to park in the garage.

Commissioner Romero stated that he believes there should be some type of financial incentive to want to park there as well, and stated that the signage should be appropriate to the venue so that it is utilized appropriately. Commissioner Romero put forth a motion to adopt item 4(l).

Commissioner Swig asked if the garage could yield more money without valet parking.

Mr. Magio, representative of Dodge International, indicated that if the valet parkers were eliminated, people would park on their own and there would be no guarantee that they would park in the garage. Mr. Magio also indicated that another alternative would be to get subsidy from the restaurants for the expense of valet parking since it is an extra service but were told by the restaurants that they could not afford to do so at this time.

Commissioner Swig indicated that he did not see the necessity of using valet parkers and stated that the money should instead be used to for more signage and more marketing.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 32-2008, BE ADOPTED

- 4(m) Resolution No. 33-2008, Granting a variance from the density standards of the Western Addition A-2 Redevelopment Plan and conditionally approving a schematic design for a 33-unit condominium project at 1301 Divisadero Street (Assessor's Block 1101, Lot 7); Western Addition Redevelopment Project Area A-2
- 4(n) Resolution No. 34-2008, Authorizing an Owner Participation Agreement with A & M Properties, L.P., a California limited partnership, for a 33-unit condominium project at 1301 Divisadero Street (Assessor's Block 1101, Lot 7); Western Addition Redevelopment Project Area A-2

Director Blackwell stated that correspondence was received from members of the community who have expressed concern about inadequate notification related to aspects of the project, and as a result, felt that they have not had the opportunity to adequately hear and weigh in on the design issues. Director Blackwell indicated that staff is recommending that Items 4(m) and 4(n) be continued for 30 days and allow for the proper notification as well as encourage the developer and the community to meet on so there can be the proper level of discourse around the design.

Speakers: Barbara Meskunas, Noni Richen, Robert Speer, Nick Merz, Karen Hagewood, Tricia Wright, Arnold Townsend, Brian Jones, David Silverman, Paul Emert

Commissioner Breed stated that she asked for a continuance due to issues of rushing through a project when people have not had an opportunity to comment on this particular project, and that it is appropriate to allow an additional time to review and discuss and make suggestions. Commissioner Breed stated that if the item moved forward she would not approve the items based on affordability, which was mentioned that it exceeded affordability requirements with 32 unit's total and only 3 units being affordable. Commissioner Breed also indicated that she had other issues, such as, ceiling heights, size of units, the look of the units, and how the particular building would fit with the character of the entire area. Commissioner Breed indicated that continuance of these items is more than just complaints from people who have not had an opportunity; it has everything to do with the entire project. Commissioner Breed put forth a motion to continue Items 4(m) and (n).

Commissioner Singh stated that he received a petition from 30 people and agreed that one month will not make a difference. Commissioner Singh seconded the motion.

Commissioner Romero expressed his concern about delaying the process but deferred to Commission Breeds' judgment; supported the continuance, but with reluctance.

Commissioner Swig stated that it is extremely frustrating for a developer to work diligently and responsibly with the Commission and staff and try to reach a consensus with the neighborhood; at the same time he is sensitive to Commissioner Breed's concerns. Commissioner Swig stated that he supports the continuance but advised that, as Commissioners, it is their job to pay attention to the neighborhood, the culture of the neighborhood, to make sure that the neighborhood will not be negatively affected, and that the neighborhood is heard.

Commissioner Cheu expressed her concern that continuance of time be limited, and stated that the developer showed a good faith effort working with the community in making changes and going through the process, she would support continuance but indicated that it is important that the timeframe not be allowed to go beyond that.

President Covington asked Commissioner Cheu if she was proposing a friendly amendment to the motion to limit the time for continuance to only one month.

Commissioner Cheu confirmed.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 33-2008, BE CONTINUED FOR A PERIOD OF 30 DAYS.

- 4(o) Resolution No. 35-2008, Conditionally Approving the Schematic Design for the Proposed Development of Approximately 32 Low- and Moderate-Income First-Time Ownership Units at 1345 Turk Street, and adopting environmental findings pursuant to the California Environmental Quality Act, Western Addition Redevelopment Project Area A-2; Citywide Tax Increment Housing Program

Presenter: Michele Davis, Agency Staff

Commissioner Romero put forth a motion to adopt Item 4(o).

Commissioner Singh seconded Commissioner Romero's motion to adopt 4(o).

Commissioner Breed questioned what the Homeowner's Association (HOA) dues were and if they were as originally proposed.

Mr. Simmons indicated that the HOA dues will be calculated on the final design and would not know until then.

Commissioner Breed stated that she would like the information on the final calculation of the HOA dues as soon as it becomes available and to ensure that the information is also communicated to the public showing what had been proposed and what will be proposed.

Commissioner Breed stated that the WACAC does not remember approving the project and asked what the process was.

Mr. Simmons indicated that he met with the WACAC in February and went through the outreach plan, which they approved 100%, and then met with them in December for the design with the WACAC approving it 100%.

Commissioner Breed stated that the design was beautiful but has issues with the square footage of the units and the townhomes not being accessible; stated that she was not able to support the project at this time but appreciated all the work that has gone into it.

President Covington stated that she enthusiastically supported the project and its design, its mini park, greening and parking.

Commissioner King expressed his support of the project and stated that it was a beautiful project.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, WITH MS. BREED ABSTAINING, THAT RESOLUTION NO. 35-2008, BE ADOPTED

Items 4(p) and (q) were presented together but acted on separately

- 4(p) Resolution No. 36-2008, Authorizing a Disposition and Development Agreement with Green Blended Communities, LLC, a California limited liability company, whose sole managing member is San Francisco Housing Development Corporation, a California nonprofit public benefit corporation, for the development of 18 low- and moderate-income units and ground floor commercial space at 4800 Third Street, and adopting environmental findings pursuant to the California Environmental Quality Act; Bayview Hunters Point Redevelopment Project Area; Citywide Tax Increment Housing Program
- 4(q) Resolution No. 37-2008, Authorizing an Amended and Restated Tax Increment Loan Agreement with Green Blended Communities, LLC, a California limited liability company, whose sole managing member is San Francisco Housing Development Corporation, a California nonprofit public benefit corporation, in an amount not to exceed \$6,812,329 for a total aggregate amount not to exceed \$8,465,829 for the development of 18 low- and moderate-income first-time homeownership units and ground floor commercial space at 4800 Third Street; and adopting environmental findings pursuant to the California Environmental Quality Act; Bayview Hunters Point Redevelopment Project Area; Citywide Tax Increment Housing Program

Presenter: Vanessa Dandridge, Agency Staff

Speakers: Millard Larkin, Julian Davis, Gregory Johnson, Ed Donaldson, Doris Vincent, Diane Wesley Smith

Commissioner Cheu put forth a motion to adopt items 4(p) and 4(q), thanked staff for the clear and well written explanation of why the cost and subsidy are relatively high for this project

Commissioner Romero seconded the motion.

Commissioner Swig stated that the project is very exciting for Hunters Point and Third St and asked what the target market was and who would be living in the units.

Ms. Davis indicted they are targeting COP families and people who have been seeking to prepare themselves as first time homebuyers in the Bayview area.

Mr. Donaldson indicated that, based on research, in particular with the COP holders, there are a lot of entry level buyers, both one – two person households and in some cases, three person households that would be interested in these particular developments. Mr. Donaldson indicated that

the plan is to focus their outreach efforts on those individuals and senior individuals who will be downsizing and securing affordable housing.

Commissioner Swig indicated that he was not satisfied with the answer because he does not understand the sense of the research, expressed that it is a good project but of great concern to him is the size of a 630 sq.ft. unit and it's marketability of those units.

Mr. Sobel indicated that the site is a small site to build on and bigger units would provide fewer units, which would then increase the agency's subsidy per unit which is already quite high. Mr. Sobel indicated that the units will be priced at a fraction of the market value, and will be attracting people just coming into the employment world as well as renters seeking their first apartment, together with the COP outreach taking place, there are older people in the COP list that this will provide a very attractive opportunity for them.

Commissioner Breed stated that she agreed with Commissioner Swig that the units were entirely too small but supports the project. Commissioner Breed indicated that this issue would need to be discussed at a later time but that she would rather have less units built than continuing to build small units.

Commissioner King stated that he supports the project and Ms. Regina Davis who was one of the first developers who started developing housing in the Bayview Community. Commissioner King stated that Ms. Davis has done a good job for people of need and trusts that she will be able to sell the units.

President Covington stated that it is a great project and also agrees that the one bedroom units are very small. President Covington asked if there were any retail spaces.

Ms. Davis indicated that there are two commercial retail spaces; Magic Johnson Starbucks will occupy 1,200 sq. ft. space, and Marcus Book Store occupying a 900 sq.ft. space.

President Covington asked if there was any linkage between the two.

Ms. Davis indicated there is no linkage between the two stores at this time and will be talking to the two tenants to see if there is a possibility.

President Covington stated that she was very happy to know that Dr. Richardson will be opening up a book store in the Bayview as he has always done so much for the community, both economically and intellectually.

Commissioner Breed stated that she too was very excited that Dr. Richardson is going to be located in the Bayview since it is the only black

owned bookstore in San Francisco and hopes it will have a tremendous impact in the neighborhood.

President Covington noted that on page 15 of documents, the fifth bullet point indicated that marketing was budgeted at 1,389 per unit but increased to \$5,000 per unit as allowed for other homeownership developments, and questioned why it was started so low and noted that as part of the adjustment, sales commissions were removed from the budget at the request of agency staff. President Covington asked why there were no sales commission's forthcoming from the twelve one bedroom units and remaining two bedroom units.

Ms. Dandridge stated the that project was originally a rental project of 15 units of affordable rental housing in 2001, and went before the Citywide Loan Committee in 2003 which had serious concerns about the per unit development costs, and those costs falling under the scrutiny of the tax credit allocation committee. Ms. Dandridge indicated that at that point SFHDC redirected its efforts and began advancing its project as a homeownership project, and the 1,389 to 5,000 per unit cost reflects what is typically approved for homeownership projects. Ms. Dandridge indicated that in terms of the commissions, a lottery is held and there is no need to have brokers or realtors show the units which is typically the process for market rate housing, but are allowing part of that marketing fee to pay a broker for the sales documents on each home which is part of the \$5,000 which is not considered a commission.

President Covington directed staff, in terms of outreach, that COP holders are aware of this opportunity and asked what the marketing plan was for this project.

Mr. Donaldson indicated that they received a copy of the COP list and are going through the list in identifying contact information for the particular families, and are also meeting with individual families.

President Covington directed Mr. Donaldson for more details on their outreach efforts and program.

Commissioner Swig questioned if there was a legal or entitlement restriction that prevents the smaller units from being rental units, and would the project be financially undermined if the smaller units were converted to enable them to be rental units.

Director Blackwell stated that it would be hard to overstate how difficult it was to get the project through the citywide loan committee in terms of price per unit, and in terms of what was proposed early on as a rental, there was serious doubt as to whether or not tax credits could be acquired and approved at the state level. Director Blackwell indicated that the per unit cost far exceeds the regular subsidy that goes along with homeownership

opportunities and what the loan committee is use to seeing. Director Blackwell stated that it is his understanding that the Commission is willing to sacrifice unit size, think about rental versus ownership, as a way to get larger units rather than more units. Director Blackwell stated that he believes that to be a very important policy discussion that needs to go on at a citywide level, but there has been significant discourse in bringing the project to the Commission regarding the level of affordability.

President Covington asked what the Agency's current stock was, and if there were any other developments with units of the same size.

Mr. Sobel indicated that there are studio apartments being marketed as but would have to get back with a more accurate account. Mr. Sobel indicated that when the project shifted from rental to ownership because of cost concerns, the project was totally redesigned, managed to get a rezoning to add height to get additional units, and tried to maximize the efficiency of the site which was a very difficult site to develop.

President Covington indicated that this is a policy issue which warrants more discussion outside of the particular project, and, if it is the will of the Commission that future projects be a particular size, these issues can be agendized and have a free flowing discussion about that and look at the numbers.

Commissioner Cheu stated to Director Blackwell that it is not the feeling of the whole Commission that the units are so small that they are not marketable, and it is her opinion that the marketability is determined by the fact that they are affordable and a chance for homeownership. Commissioner Cheu stated that she supports the project and trusts that SFHDC is doing the housing counseling as well, and trusts in their wisdom that they can successfully market the units.

Commissioner Romero stated that Commissioners Swigs comments and questions are all very well founded, and are important that the Developer hear the concerns.

ADOPTION: IT WAS MOVED BY MS. CHEU, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED, WITH MR SWIG ABSTAINING, THAT RESOLUTION NO. 36-2008, BE ADOPTED

ADOPTION: IT WAS MOVED BY MS. CHEU, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED, WITH MR SWIG ABSTAINING, THAT RESOLUTION NO. 37-2008, BE ADOPTED

5. MATTERS NOT APPEARING ON AGENDA: None

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

Speakers: Victor Marquez, Eli Aramburo, Esq., Diane Wesley Smith,
Leela Molex

7. **REPORT OF THE PRESIDENT:**

- President Covington reported that there will be ongoing meetings on the COP program as well as looking into marketing and getting the word out about the program, and discussing the difficult matters that come up for people who are trying to be certified and have been denied.
- President Covington reported that the Agency is turning 60 this year and a Committee is in the process in planning a 60th Anniversary commemoration.

8. **REPORT OF THE EXECUTIVE DIRECTOR :**

- Director Blackwell reported that on April 26th from 1 pm – 4 pm, a celebration will be held for the revitalization of the Bayview Opera House

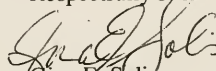
9. **Commissioners' Questions and Matters:** None

10. **CLOSED SESSION:** Pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiators regarding the price and terms of payment for the conveyance of Parcel CB-1-MM, and the Jessie Square Garage in the Yerba Buena Center Approved Redevelopment Project Area. The parties with whom the Agency would negotiate are 706 Mission Co. LLC, a Delaware limited liability company, Jessie Square Garage Tenant LLC, a Delaware limited liability company, and the Mexican Museum, a California nonprofit corporation. Agency negotiators: Fred Blackwell, Amy Neches, Tracie Reynolds, Penny Nakatsu, Denise Blades, and Christine Maher.

11. **ADJOURNMENT:**

It was moved by Mr. King, seconded by Mr. Singh, and unanimously carried that the meeting be adjourned. The meeting adjourned at 9:00 p.m.

Respectfully submitted,


Gina E. Solis
Agency Secretary

APPROVED:

May 6, 2008

**MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
6th DAY OF MAY 2008**

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 6th day of May 2008, at the place and date duly established for holding of such a meeting.

Acting President Ramon Romero called the meeting to order at 4:00 p.m. and stated that President Covington was on jury duty and would be arriving shortly.

Mr. Romero welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Romero asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Romero stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Leroy King
Ramon E. Romero
Darshan Singh
Rick Swig

And the following were absent:

Francee Covington (note: arrived at 4:30 p.m.)
London Breed
Linda Cheu (note: arrived at 4:30 p.m.)

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Fred Blackwell, Executive Director, and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. No Reportable Action.

3. MATTERS OF UNFINISHED BUSINESS. None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- 4 (a) Approval of Minutes: Meeting of April 15, 2008
- 4 (b) Resolution No. 38-2008, Authorizing a personal services contract with Lloyd Kraal, a sole proprietor, dba Lloyd Kraal Construction and Consulting, to provide construction management services for the Model Block Loan Program for a term of one year in an amount not to exceed \$94,500; Bayview Hunters Point Redevelopment Project Area (Area B), Citywide Tax Increment Housing Program
- 4 (c) Resolution No. 39-2008, Designating and authorizing certain personnel to establish and administer depository accounts and manage investments on behalf of the Redevelopment Agency of the City and County of San Francisco

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR KING, AND UNANIMOUSLY CARRIED, WITH COMMISSIONERS' COVINGTON, BREED, AND CHEU ABSENT, THAT CONSENT AGENDA ITEMS 4 (a) – 4(c), BE ADOPTED.

REGULAR AGENDA

- 4 (d) Resolution No. 40-2008, Authorizing the Executive Director to pay \$495,969.20 to the Department of Building Inspection for the assignment of the Site Permit to the Agency and related fees of \$15,225.03 to the San Francisco Unified School District for school impact fees, for a total not to exceed \$511,194.23, as part of standard predevelopment costs, for the development of 100 units of low- and very-low income senior rental housing at Mary Helen Rogers Senior Community, 701 Golden Gate Avenue, Central Freeway Parcel C; Western Addition Redevelopment Project Area A-2; Citywide Housing Tax Increment Program

Presenter: Pam Sims, Agency Staff

Speaker: Randall Evans

Commissioner Swig asked for a point of clarification as to whether the RFP would include the requirement to assume the existing plans, as approved in total, for the program.

Ms. Sims affirmed that the RFP would include the requirement in assuming all approved existing plans.

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MS. CHEU, AND UNANIMOUSLY CARRIED, WITH MS. BREED ABSENT, THAT RESOLUTION NO. 40-2008, BE ADOPTED.

- 4 (e) Resolution No.41 -2008, Authorizing a Legal Services Contract with Shute, Mihaly & Weinberger LLP to provide specialized legal services primarily related to public trust and state park issues at the Combined Hunters Point Shipyard / Candlestick Point development project for an amount not to exceed \$250,000; Bayview Hunters Point and Hunters Point Shipyard Redevelopment Project Areas

Presenter: Nicole Franklin, Agency Staff

Speakers: None

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. SWIG, AND UNANIMOUSLY CARRIED, WITH MS. BREED ABSENT, THAT RESOLUTION NO. 41-2008, BE ADOPTED

Commission President Covington and Commissioner Cheu arrived at this time. President Covington stated that she is on jury duty and thanked Commissioner Romero for conducting the meeting until she arrived.

- 4 (f) Workshop on the Draft Design for Development document pertaining to the Hunters View Housing Development at Middle Point and West Point Roads; Bayview Hunters Point Redevelopment Project Area (Areas A and B); Citywide Tax Increment Housing Program; HOPE SF

Presenter: Erin Carson, Agency Staff and Tom Evans, Agency Staff

Speakers: Ulysses J. Montgomery
Al Norman

Commissioner Romero stated that the project has been well thought out, and expressed his support of the design, stated that it is very important that the project stay on track because it is very much needed in the Bayview Hunters Point. Mr. Romero asked for clarification on the location of the project.

Mr. Evans indicated that the project is located north of the PG& E power plant that is currently being demolished; half mile east at the intersection of Third and Evans.

Commissioner Swig stated that he agreed with Commissioner Romero and public comment that the project needs to stay on an accelerated track, and inquired as to the anticipated timing for start, and completion of construction.

Ms. Carson indicated that demolition of Phase I would begin in the Fall 2009, with each phase taking two years to complete, including relocation work between each phase.

Commissioner Swig inquired as to the process for relocation.

Ms. Carson stated that the project would be done in three phases to meet requests of the current residents to remain on site throughout the process, and not be displaced by the project. Ms. Carson indicated that the Housing Authority will need to renovate existing vacant units to make them habitable, and to implement the relocation of the Phase I units; currently of the 267 units on site, approximately 154 are occupied.

Commissioner Swig assured the residents that every effort will be made to maintain the continuity, the culture, and the existing population of the neighborhood, within that population, during the time of the project.

Commissioner Covington asked for details on the community meetings and outreach, from concept to this point.

Ms. Carson stated that the development team meets on a monthly basis in a public forum with the Hunters View Tenants Association, communicates regularly with the Tenant Association President, and was made aware that the design for development Workshop was scheduled at this Commission meeting. Ms. Carson indicated that the design for development was presented to the Association by the architects, with 15-20 residents in attendance to work on apartment layouts, and incorporating the suggestions to further work on the plans. Ms. Carson also indicated that monthly meetings are held with residents on various aspects of the project; community benefits, jobs, relocation, operations, and ongoing outreach not only to residents of Hunters View but to the community, the PAC, and India Basin residents Association as well.

Margaret Campbell, Project Manager stated that within the last year they have been meeting monthly with residents, and work closely with the Tenants Association in between meetings, both for general communication and to set the agenda for upcoming resident wide meetings.

- 4 (g) Resolution No. 42-2008, Authorizing a first amendment to the loan agreement with Hunters View Associates, L.P., a California Limited Partnership, to increase the loan by \$1,904,679 to fund Phase I predevelopment costs for the Hunters View Housing Development at Middle Point and West Point Roads, for an aggregate loan amount not to exceed \$3,404,679; Bayview Hunters Point Redevelopment Project Area (Areas A and B)

Presenter: Erin Carson, Agency Staff

Speakers: None

Commissioner Romero put forth a motion to adopt item 4(g).
Commissioner King seconded the motion.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED, WITH MS. BREED ABSENT, THAT RESOLUTION NO. 42-2008, BE ADOPTED.

- 4 (h) Resolution No. 43-2008, Authorizing an Eleventh Amendment to the Agreement for Disposition of Land for Private Development with Third and Mission Associates LLC, a California limited liability company, to relinquish the Agency's option to lease the Jessie Hotel at 680 Mission Street for \$716,000 (Assessor's Block 3707, Lot 63); Yerba Buena Center Redevelopment Project Area

Presenter: Amy Neches, Agency Staff

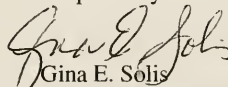
Speakers: None

ADOPTION: IT WAS MOVED BY MS. CHEU, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED, WITH MS. BREED ABSENT, THAT RESOLUTION NO. 43-2008, BE ADOPTED.

5. **MATTERS NOT APPEARING ON AGENDA:** None
6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**
- Speakers: Al Norman, Willie B. Kennedy, Doris Vincent
7. **REPORT OF THE PRESIDENT:** None
8. **REPORT OF THE EXECUTIVE DIRECTOR:** None
9. **COMMISSIONERS' QUESTIONS AND MATTERS:** None
10. **CLOSED SESSION:** Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators regarding the price and terms of payments in connection with the purchase by the Agency of a portion of Block 4884, Lot 020, located on Arelious Walker Drive between Gilman and Carroll Avenues and the party with whom the Agency may negotiate is the San Francisco Housing Authority. Agency negotiators: Fred Blackwell, Olson Lee, Lisa Zayas-Chien, Jeff White.
11. **ADJOURNMENT:**

It was moved by Mr. King, seconded by Mr. Singh, and unanimously carried that the meeting be adjourned. The meeting adjourned in memory of Mr. James Hodges at 5:38 p.m.

Respectfully submitted,


Gina E. Solis
Agency Secretary

APPROVED:

May 20, 2008

**MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
20th DAY OF MAY 2008**

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 20th day of May 2008, at the place and date duly established for holding of such a meeting.

President Francee Covington called the meeting to order at 4:00 p.m.

Ms. Covington welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Ms. Covington asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Ms. Covington stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Francee Covington
London Breed
Leroy King
Ramon E. Romero
Darshan Singh
Rick Swig

DOCUMENTS DEPT.

And the following were absent:

Linda Cheu (note: arrived at 4:30 p.m.)

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Fred Blackwell, Executive Director, and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. No Reportable Action.

3. MATTERS OF UNFINISHED BUSINESS.

CONTINUED FROM APRIL 15, 2008 COMMISSION MEETING

- (a) Resolution No. 33-2008, Granting a variance from the density standards of the Western Addition A-2 Redevelopment Plan and conditionally approving a schematic design for a 33-unit condominium project at 1301 Divisadero Street (Assessor's Block 1101, Lot 7); Western Addition Redevelopment Project Area A-2
- (b) Resolution No. 34-2008, Authorizing an Owner Participation Agreement with A & M Properties, L.P., a California limited partnership, for a 33-unit condominium project at 1301 Divisadero Street (Assessor's Block 1101, Lot 7); Western Addition Redevelopment Project Area A-2

Presenter: Christine Maher, Agency Staff

Speakers: Robert Speer, Barbara Meskunas, Katie Kimball, Rafael Galiano, Noni Richen, Paul Emmert, Arnold Townsend, Ace Washington, Randall Evans

Commissioner Romero stated, with the continuance of this item to allow proper notification and an opportunity for continue discussions with the community, and with the support of the WACAC and the Biedeman Area Neighborhood group; he was persuaded by the arguments presented to approve the project, and made a motion to adopt items 3(a) & (b).

Commissioner King stated that he was in favor of moving the project but expressed his concern that the developer did not intend to participate in the Agency's EOP program, a program implemented over the years to ensure that the opportunity for employment is given within the communities they reside.

Commissioner Covington asked for clarification from Agency staff on the issue, and the particular negotiations on the project.

Mr. Fields, Agency Staff, stated that Agency staff had offered negotiations with the developer; however, the developer had chosen not to participate in the Agency's equal opportunity programs.

Mr. David Silverman, speaking on behalf of the sponsor, stated that he agreed wholeheartedly with Commissioner King, and stated from the beginning of the project, offered to hire the construction workforce with the goals requested by the agency, as well as the small business enterprises at the goal numbers specified with the agency. Mr. Silverman stated what agency staff was referring to was a specific program that was used for prior projects, and they have been able to negotiate with the agency for smaller projects where the reporting and monitoring requirements were onerous for small projects.

Commissioner Covington asked for clarification as to whether there was a memorandum of understanding without the formality of signing on to what is the Agency's usual policy of employment inclusion.

Mr. Fields indicated that the developer was offered the opportunity to sign the Agency's EOP and have not entertained any other types of MOU's that the developer mentioned.

Commissioner Covington asked what the options were.

Mr. Fields indicated that the options would be that the developer sign the Agency's EOP, and indicated what the developer is proposing was a version of what they wish to participate in without signing the Agency's EOP, which means the Agency have no jurisdiction in enforcement authority over any such agreement.

Commissioner Covington asked if what they were proposing dovetails with the Agency requirements.

Mr. Fields stated the language is similar, but in terms of whether or not they must comply, they only limit themselves to the good faith efforts in their terms without signing the Agency's EOP.

Commissioner Swig stated that if there has been a history of a formal relationship in a contractual relationship between the agency and the project sponsor on a similar subject, he suggested that since it was adequate before, that it be grandfathered into this situation.

Mr. Silverman stated that he recently did 238 Olive St. and another project on Third Street where both those projects had MOU's which he had suggested that they be adapted to this project.

Mr. Tijani indicated that under State Law, there are limitations to certain issues such as projects that are below 10 units, there is no requirement, the Agency has no authority to impose that they participate in part of the program, the owner's volunteer at their discretion which was the case with the 238 Olive project.

Commissioner Covington asked Mr. Silverman if he had any additional information.

Mr. Silverman stated that he spoke to the sponsor and the sponsor has always intended to meet those goals for the construction work and has not changed their desire to try and meet those goals and use good faith efforts. Mr. Silverman stated that the difficulty was the monitoring and reporting requirements being so onerous that they require the hiring of a full time person to keep track of that paperwork, which was their only objection, not the goals of the program which they have always supported and will continue to support.

Commissioner Breed asked Mr. Fields to respond to the comment about the fact that there is significant paperwork or documents necessary in order to report to the agency about the numbers, and information.

Mr. Fields stated for a project of this size, there is substantial documentation that is required in order to record virtually every aspect of the development that would include, to some degree, workforce reporting, and because this would not be a prevailing wage project, that reporting could be minimized to a monthly workforce utilization report reflecting the numbers, and hours of the individuals who work on the project.

Commissioner Breed stated that she was willing to agree to support the project if the developer was willing to sign the EOP, and comply with the conditions of the Agency's EOP, not an MOU. Ms. Breed stated that she would like to make an amendment that would require the developer comply as a condition of approving the two items. Ms. Breed asked how much the units cost.

John McInerney, general partner of the sponsor, indicated that he asked David Sobel what the BMR prices were and Mr. Sobel indicated that if they were sold today they would be about \$200,000. Mr. McInerney stated that their goal in providing the type of housing described earlier was to keep the price down, with the goal of below \$600,000 which would make it easier for one or two people to finance. Mr. McInerney stated that they would be contributing \$1.6M back through the BMR program.

Commissioner Romero stated that before taking a position, he asked Mr. Blackwell why the project was being recommended for approval given the issues that have come up.

Mr. Blackwell stated that one of the opportunities that is in place for a redevelopment project area is an opportunity when projects like this move forward, that there is a policy in place that speaks to employment, and contracting, and for that reason, the Agency has a working group, staff that works on these issues that provide monitoring, and a policy that has been approved by the Commission, CAC's, and PAC's. Mr. Blackwell indicated that it is the Agency's position that the employment, and contracting policy, whenever possible, needs to be implemented, and the preference is to have the employment, and contracting policy adopted rather than an MOU that has something less than what is suppose to be in place. Mr. Blackwell stated that the project before them is a voluntary program, and if they volunteer not to do participate, that will be taken into consideration, and brought before the Commission to inform you when a developer does not wish to participate in the EOP program, and then is the decision for the commission. Mr. Blackwell stated that on such cases, the Agency needs to adhere to the policy, and the developer's choice is if they decide not to, you get the kind of response that you get from the community and run the risk of your project not being approved.

Commissioner Romero withdrew his motion, and stated that he supported the proposed amendment requiring the developer to sign the EOP.

Commissioner Breed asked Mr. Morales if there were any issues around the legalities of imposing or requiring from the Commission that the particular program be complied with.

Mr. Morales clarified Ms. Breed's questions as to whether the Commission has any authority to impose certain EOP's on the developer, Mr. Morales stated that the Commission does have that discretion; the Redevelopment Law provides that one of purposes of redevelopment is to provide for employment opportunities in project areas, the Agency does not have a policy in place that would uniformly apply this to all projects, but can, and have in certain project areas, have the discretion to impose it on particular cases because all the facts have been considered and determined that it is appropriate for a project of this size that is seeking a variance from the redevelopment plan, and that is also going to build more units than would be permitted under the plan, as well as under the planning code, which will be in effect within less than a year. Mr. Morales stated that under the particular fact of this case, the Commission does have the authority to impose the small business program, and the workforce development program of the agency.

Commissioner Swig stated that he supported Commissioner Breed and Singh's motion with the hopes that his fellow Commissioners go forward as well, and recommends that Agency staff review the policy and apply some scalability to the program, which he agrees with Ms. Breed, must be adhered to because that is the spirit of redevelopment.

Commissioner Covington stated that these discussions should have taken place long before coming to the Commission, and does not feel it is fair to the developer to have this come up at this time, that this is clearly a voluntary program and then to make it mandatory does not sit well with her. Ms. Covington asked Ms. Breed to restate her motion.

Commissioner Singh called the question.

Commissioner Covington stated, Parliamentary procedure, Robert's rules of order, Mr. Singh has called the question which means that Ms. Breed restates her motion and then vote.

Commissioner Breed stated that her motion is to require that the developer participate in the EOP of the redevelopment agency on a simplified basis.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED, THAT AGENDA ITEM RESOLUTION NO. 33-2008, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED, THAT AGENDA ITEM RESOLUTION NO. 34-2008, BE ADOPTED, AS AMENDED.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- (a) Approval of Minutes: Meeting of May 6, 2008
- (b) Resolution No. 44-2008, Authorizing a First Amendment to the Exclusive Negotiations Agreement with Habitat for Humanity San Francisco, a California nonprofit public benefit corporation, and Em Johnson Interest, Inc., a California Corporation, for the disposition of Agency Parcel EE-2, located at Whitney Young Circle and Hudson Avenue to develop affordable housing for first time homebuyers; Bayview Hunters Point Redevelopment Project Area (Area A.)

Commissioner Covington requested that Item 4(b) be pulled from the Consent Agenda.

ADOPTION: IT WAS MOVED BY MS. CHEU, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, WITH MS.BREED ABSTAINING, THAT ITEM 4(a) BE ADOPTED.

REGULAR AGENDA

- (b) Resolution No. 44-2008, Authorizing a First Amendment to the Exclusive Negotiations Agreement with Habitat for Humanity San Francisco, a California nonprofit public benefit corporation, and Em Johnson Interest, Inc., a California Corporation, for the disposition of Agency Parcel EE-2, located at Whitney Young Circle and Hudson Avenue to develop affordable housing for first time homebuyers; Bayview Hunters Point Redevelopment Project Area (Area A.)

Presenter: Vanessa Dandridge, Agency Staff

Speaker: Michael Hammond, Michael Johnson, Doris Vincent, Leontine Collins

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 44-2008, BE ADOPTED.

- (c) Resolution No. 45-2008, Authorizing a First Amendment to the Loan Agreement with Yoshi's San Francisco, LLC, a California limited liability company, to modify the loan terms and increase the loan amount by \$1,300,000, for a total aggregate amount not to exceed \$5,700,000, for tenant improvement costs associated with establishing a jazz club/restaurant in the mixed-use project at Agency Parcel 732-A; Western Addition Redevelopment Project Area A-2

Resolution No. 46-2008, Authorizing a First Amendment to the Loan Agreement with Food for Soul, LLC, a California limited liability company, to increase the loan amount by \$200,000, for a total aggregate amount not to exceed \$1,900,000, for tenant improvement costs associated with establishing a restaurant in the mixed-use project at Agency Parcel 732-A; Western Addition Redevelopment Project Area A-2

Resolution No. 47-2008, Authorizing a Fifth Amendment to the Disposition and Development Agreement with Fillmore Development Associates, LLC, a California limited liability company, to modify the distribution of condominium sales proceeds owed to the Agency, including allowing for the repayment of a portion of this amount (\$1,185,328) pursuant to the Commercial Ground Lease, all associated with the mixed-use development on Agency Parcel 732-A; Western Addition Redevelopment Project Area A-2

Presenter: Stephen Maduli-Williams, Agency Staff

Mr. Maduli-Williams stated at this time that Food for Soul is requesting an additional \$538,000, which was updated from \$200,000 as stated in the memo. A revised resolution was handed to the Commissioners.

Speakers: Leontine Collins, Paul Ramsey, Monetta White, Bridgette LeBlanc, Ellen Seebold, Shiree Dyson, Randall Evans, Ace Washington, Sheryl Davis, Kaz Kajimura, Michael Johnson, Arnold Townsend

Commissioner Swig asked for information on the collateral for the loan.

Mr. Tijani stated that all loans are secured, the existing condominiums are securing a portion of the loan, Yoshi's are secured by a deed of trust against leasehold interest, as well as with Food for Soul

Commissioner Swig stated that they are secured against the buildings, the bricks and mortars, and knows there is no personal guarantee by the developers, but should there be a breach on the loans, what does the city get.

Mr. Tijani stated that the larger loan of \$4.7 to the developer, FDA, is secured by the security and the personal guarantee by the developer; the Yoshi's loan has two personal guarantees, one from Mr. Kaz and one personally from EMJohnson Interest, there are additional personal securities, along with a UCC1 filing against their personal properties which is well documented.

Commissioner Swig stated should the expansion loan be approved, will the funds go into an escrow account so there is a surety, or are they going to be controlled and accounted for so there is a surety that they go to the purpose of what they are being represented, that is to construction contractors and other vendors associated with the construction, or are the proceeds going to be forwarded to the project sponsors on good faith, or is the Agency allowing the project sponsors to distribute the proceeds to the contractors, vendors and other obliges.

Mr. Tijani stated that under the California State law, as a lender, the Agency is to make sure the proceeds to the contractors, vendors and other obliges are paid before the funds are distributed to the sponsors.

Commissioner Swig quoted in the revision resolution that was just circulated that "the agency is proposing to fund this emergency \$1.828M loan increase from funds set aside for the seismic retrofit for the Muni Substation on Fillmore Street and other sources." Mr. Swig expressed concern on the future of the Muni Substation, which is already a risky project, if the funds are never provided back to the Muni substation, making a challenging project even more challenging.

Commissioner Cheu stated that she supported this project and moved to adopt the item, expressed that the main point was that it is a community asset that the Commission helped to create, and supported the need to make sure of their success. Ms. Cheu asked if both businesses are meeting their operating targets related to revenue that were originally projected.

Mr. Maduli-Williams stated that both Yoshi's and Food for Soul are slightly exceeding projections, and to keep in mind that it is the first year, with the stronger predictor in year two.

Commissioner Cheu asked if there was anything unusual in the remaining condos that would affect the ability to be sold at the current rate.

Mr. Michal Johnson stated that he does not anticipate any challenges with the remaining units, and noted that they had three sales the past weekend with seven left, and a few in escrow. Mr. Johnson stated that the project was not a 100% increase, and that adjustment were made along the way, the change from the original budget in 2003 which at one time were planning a \$7.4M project, the project grew in its scope, they built a nicer house, by the time they started construction this past summer, they had a higher budget, with the increase from \$7.4 to \$12M all funded by Mr. Kaz and, as Mr. Johnson stated, they committed to building a nicer house, the last portion being partially being shared by the Agency, in addition, they are putting more funds in the project.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 45-2008, 46-2008, and 47-2008 BE ADOPTED.

- (d) Resolution No. 48-2008, Authorizing a Purchase Agreement with the San Francisco Housing Authority, in an amount not to exceed \$5,840,000 plus related closing costs, for the acquisition of real property located on a portion of Assessor's Block 4884, Lot 020 on Arelious Walker Drive east of Gilman Avenue; Bayview Hunters Point Redevelopment Project Area

Presenter: Jeff White, Agency Staff

Speakers: Doris Vincent

Commissioner Swig put forth a motion to adopt item 4(f), and urged his fellow Commissioners to support the project, especially given the significance of this piece to move Alice Griffith redevelopment forward.

Commissioner Singh seconded the motion.

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, WITH MS. BREED ABSENT DURING VOTING, THAT RESOLUTION NO. 48-2008, BE ADOPTED.

- (e) Resolution No. 49-2008, Conditionally approving the schematic design; granting variances from the density, parking and off-street loading area requirements; adopting the revised Preliminary Mitigated Negative Declaration, the Mitigation Monitoring and Reporting Program; and findings pursuant to the California Environmental Quality Act, for 120 units of very low-income supportive housing and approximately 2258 square feet of retail space, sponsored by Community Housing Partnership, a California public benefit corporation, and Mercy Housing California, a California public benefit corporation, on Central Freeway Parcel G, Assessor's Block 792, Lot 85, southeast corner of Fulton and Gough Streets; Western Addition Redevelopment Project Area A-2
- (h) Resolution No. 50-2008, Authorizing a First Amendment to the Exclusive Negotiations Agreement (the "ENA") and a first amendment to the predevelopment loan agreement (the "Loan") with Community Housing Partnership, a California nonprofit public benefit corporation, and Mercy Housing California, a California nonprofit public benefit corporation, to revise the schedule of performance in the ENA and Loan and extend the ENA term by an additional twelve months to July 16, 2009, for the development of 120 units of very low-income supportive housing on Central Freeway Parcel G, southeast corner of Gough and Fulton Streets; Western Addition Redevelopment Project Area A-2; Citywide Tax Increment Housing Program

Presenter: Erin Carson, Agency Staff, Peter Mackenzie, Partner, David Baker Architect

Speakers: Matthew Johanson, Lenny Hanson, Temple Tse, William Garrison, Aaron Burch, Paul Saaron, Brett Vaughn, David Schnur

Commissioner Singh asked Ms. Carson what she meant by affordability.

Ms. Carson stated that the residents are on fixed incomes, mostly consisting of social security, will be paying 50% of their income, along with a local operating subsidy that will pay the remainder of the cost. Ms. Carson indicated that the Direct Access to Housing Program (DAH), which is part of the Department of Public Health, is involved in the program.

Commissioner Singh asked if community meetings were held in the area since some of the speakers indicated that they were not notified.

Ms. Carson stated that she was very sad to hear that, and indicated that staff strives to do as much outreach as possible, and expressed that they would certainly make a bigger effort in the future. Ms. Carson assured the Commission that they did notify residents from a 300 ft. radius mailing that was prepared by an outside firm, and plans to, in the future, reuse that mailing list for notices of community meetings, and if people are not attending Hb&A meetings or WACAC meetings, she would be more than happy to have other meetings with other community groups who have an interest in this project.

Commissioner Swig asked if there was one parking space for each unit.

Ms. Carson indicated that currently, there is no parking that is the variance that is being requested, and as stated, do not expect this population to own cars but does have arrangements that can be made with the adjacent parking garage.

Commissioner Swig put forth a motion to adopt item 4(h).

Commissioner Breed inquired as when it was decided to put formerly homeless persons in the proposed parcel.

Mr. Lee stated that the original decision came at a time when the Mayor was reaching out to a variety of departments to look at the issue of chronic homelessness, the Mayor pulled together a group of individuals lead by Angela Alioto with Commissioner Romero as a member of that Commission appointed by the Mayor, produced a 10 year plan to end chronic homelessness. Mr. Lee stated that through the work of the 10 year plan to end chronic homelessness that the City, and the Mayor created the priority for both the Mayor's Office of Housing as well as the other housing agencies to work together to bring comprehensive services along to the capital providers, now known as the Housing First model, creating housing for individuals with services which allows those individuals to remain housed, and to deal with the disabilities that they bring to the housing. Mr. Lee stated, other than the fact that the Commission, through the issuance of the RFP, and other discussions about the issuance of the RFP were discussed, both in terms of the population to be served, and the structure of the transaction, was the decision made by the Commission in terms of the population be served on this particular site.

Commissioner Breed stated that she appreciates that the architect took into consideration to preserve the mural, but expressed her concerns with the fact that members of that neighborhood were not adequately addressed, and stated that there needs to be more outreach, more building a relationship and trust.

Mr. Lee stated that the project has been a five year process where the policy to reach out to the WACAC in terms of reviewing potential RFP's, the issuance of RFP's, and the selection of the developers, in addition to reaching out to the advisory bodies staff also reached out to the established neighborhood organizations such as the Hayes Valley neighbors who have been very supportive of this project. Mr. Lee stated that the Agency bought 11 of the 22 parcels solely for the purpose of developing affordable housing which set in motion the Agency's role in building affordable housing throughout half of

the parcels in the Octavia Blvd., and Hayes Valley neighbors being one of the key organizations who were pushing not to rebuild the freeway, and building the boulevard was instrumental in pushing for the boulevard. Mr. Lee stated that they are not concerned about parking, in part because they do not want to encourage more cars coming into the neighborhood, and they were part of the lobbying for the rezoning of the Octavia under the Dept. of City Planning which has no minimum parking in an effort to discourage more cars coming into the neighborhood.

Commissioner Swig stated that he was in support of project but has concerns about the variances, and stated that he would not approve the project because of the variance request.

Mr. Blackwell asked to advance the motion that includes everything but the parking variance.

Commissioner Swig stated that he shared Commissioner Breed's concern about notification of the neighborhood, and suggested in going forward for staff to be more sensitive to the neighbors, and being more aggressive in keeping them up to date. Mr. Swig stated with regard to the parking piece that homeless persons who will be using the housing is critical for them, and probably a great portion, if not all of them will not own cars. Commissioner Swig asked how many staff people would be working at the building.

David Schnor, Housing Partnership stated that, during the day, about nine to ten staff consisting of property management staff and supportive services staff.

Commissioner Swig stated that nine to ten staff in 120 units of previously homeless persons, with no disrespect intended to the homeless, there would be security issues.

David Schnur stated that it is consistent with staffing patterns at other CHP buildings: building manager during the day, Asst. Manager working at the desk, maintenance staff, 5-6 people in the social service staff including a part time psychiatrist, and a nurse practitioner.

Commissioner Swig asked where will staff park.

David Schnor stated that the majority of staff would not be driving but in the event a few choose to drive, there is the performing arts garage right next door.

Commissioner Swig stated that he would like to move that the project go forward with the exception of the variance of the parking, and asked staff and the project sponsor to focus heavily on the parking with the condition of consideration for staff parking.

Commissioner Romero stated that, as Mr. Lee mentioned earlier, five years ago when he was President of the Agency Commission, he was appointed by the Mayor to his Council to arrive with a plan to end homelessness in San

Francisco. Mr. Romero stated that since the Agency does so much housing, he was appointed the Chair of the Housing Committee for the Council, and spent ten weeks with various experts, and agency staff which resulted in a model that is being proposed which is entirely consistent in terms of what the people who try to house the homeless believe would work because of the services in the facility. Mr. Romero stated that the project before them, as it is designed, is consistent with what the Mayor's Council believes is the best solution for a segment of the homeless population. Mr. Romero stated that specific locations were not discussed, that is the work of the Commission, and the RFP went out with the Commission's approval. Mr. Romero stated that the issues the neighbors raised in terms of notification, what will happen if the facility is built there in terms of the population, and who will be on the street are separate questions that needs to be discussed at a later time. Mr. Romero stated his endorsement of the concept and supported the motion to continue so Mr. Lee can address some of the concerns raised.

Director Blackwell stated that neither the redevelopment plans nor the planning codes necessarily have a parking requirement associated with people who are employed in a housing development, and the notion of doing that is inconsistent with the planning code.

Commissioner Cheu stated that she supported Commission Romero in terms of supporting the concept of this project, and had the opportunity of sitting on the Board with this Commission for the Plaza Apts., has been very impressed, and educated on how positive an impact it has on the neighborhood around it. Ms. Cheu stated that she is very familiar with CHP when she chaired the Citizens Committee for Community Development Housing committee; they have an excellent track record, excellent managers and believes the community will find that CHP will be very open in meeting with them, and addressing community concerns in perpetuity. Ms. Cheu indicated that as a Commission, they have always supported mixed income neighborhoods; the reality is no matter where you put this, neighbors are not going to be happy, and as a Commission in the City, housing policy also supports mixed income neighborhoods. The parking issue in her view, the city's transit first policy is that parking is not provided for these types of housing developments, and the notification is the issue that does bother her the most because as Commission Swig pointed out, the neighborhood has transitioned quite a bit from five years ago to now, and staff could have done a better job of reaching out to all the merchants, and neighbors in the area, especially in the immediate blocks surrounding it. Ms. Cheu stated that she was in support of a continuance, but would also support the three items as they are.

Commissioner Breed put forth a motion to continue the item for 45 days to allow time to communicate to the residents of that area, and provide the Commission with information on issues related to parking. Ms. Breed stated a point of clarification that the parking situation is not about the employees; the parking is about the neighborhood.

Commissioner Cheu seconded the motion.

Commissioner Swig stated that his motion to approve the item with the carve out of the parking variance was in the spirit in moving the project forward, and not to continue it because of the critical nature of the project, however, in support of his fellow Commissioners, Mr. Swig removed his motion and supported the motion to continue.

Commissioner Covington stated that the parking is a problem for her, and concerned when a project comes with so many variances. Ms. Covington asked for the size of each unit.

Ms. Carson indicated the units are approximately 300 – 320 sq.ft. which are typical studio sized units with kitchenettes, private bathroom, living space, and storage, similar to the Plaza Apts.

Commissioner Covington stated that she, along with her fellow Commissioners, is very proud of the Agency's work in building the Plaza Apts., and pleased with how it serves as a tremendous model for the Agency as to how to do things well, however, as she pointed out, the particular location is not 6th St. and wanted everyone to keep that in mind.

Director Blackwell stated that staff is also requesting an extension of the ENA.

Commissioner Breed put forth a motion to continue item 4(g), for 45 days and adopt item 4(h).

Commissioner Romero seconded the motion.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED, THAT ITEM 4(g), RESOLUTION NO. 49-2008, BE CONTINUED FOR 45 DAYS.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED, THAT ITEM 4(h), RESOLUTION NO. 50-2008, BE ADOPTED.

- (i) Resolution No. 51-2008, Endorsing the Cargo Way/Bay Trail Conceptual Design Study; India Basin Industrial Park Redevelopment Project Area

Presenter: Kelley Kahn

Speaker: Doris Vincent

Commissioner Cheu put forth a motion to adopt item 4(i)

Commissioner Romero asked for clarification about the Carpenters Union's concern in regards to parking since they had bought part of the lot.

Mr. Kahn stated that one of the stakeholders that they worked closely with was the Carpenters Union Local 22 , who had expressed concern about the loss of on street parking on cargo way. Mr. Kahn stated that they were able to

come up with a scenario which Local 21 supported, that calls for accommodating parking on the north side so it does not compromise dedicated biking on the south side.

Commissioner Romero seconded the motion

ADOPTION: IT WAS MOVED BY MS. CHEU, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 50-2008, BE ADOPTED

(j) Accessibility Workshop Overview

Commissioner Breed requested that item 4(j) be continued since it appeared that the item only addressed the Agency's ADA policy and suggested that the matter be taken up at another time.

Commissioner Romero seconded the motion.

5. **MATTERS NOT APPEARING ON AGENDA:** None

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

Victor Marquez, Anamaria Loya, Jose Padilla

7. **REPORT OF THE PRESIDENT:**

- President Covington stated, as the policy making body for the agency, and as discussed at the Commission retreat, it has come to the point the need to discuss policy matters on a global level instead of item by item, project by project, and the need to discuss policy on minimum standards for the projects that the agency undertakes in terms of unit size, home size, parking, safety, outreach efforts for each project and the appropriateness for the site for whatever is being proposed. President Covington asked her fellow Commissioners for their thoughts and to contact her.
- President Covington asked Director Blackwell for a staff report on all of the former freeway parcels, of which 11 out of the 22 of the former freeway parcels fall under the Agency's purview, how they impact the neighborhood, and the status of each parcel.

8. **REPORT OF THE EXECUTIVE DIRECTOR:**

- Director Blackwell reported that there were two information memorandums in their packets, one about marketability of one bedroom condos in reference to 4800 3rd Street. Director Blackwell stated that the Commission had expressed concerns about the size of those units and whether or not there would be a market for them. Director Blackwell indicated the provides information on comps in terms of other agency units that have been put out for sale with the lottery process and to give the Commission a sense a sense of the size of the units and what they sold for.

- Director Blackwell indicated that the other information memorandum is a report about the process and status of the Muni substation. Director Blackwell indicated that two proposals were received for the Muni substation; one focused on a jazz and Music University and the other was based on an expansion of an afterschool program that is already in the neighborhood. Director Blackwell stated for a variety of reasons that are highlighted in the memo, the evaluation committee decided not to recommend either one of those two proposals, and the panel's recommendation went to the WACAC which affirmed that recommendation. Director Blackwell indicated that staff will be coming back to them with a proposal on how to move forward with the recommendation of options.

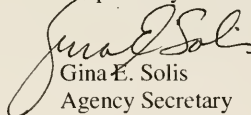
9. **COMMISSIONERS' QUESTIONS AND MATTERS:** None

10. **CLOSED SESSION:** None.

11. **ADJOURNMENT:**

It was moved by Ms. Breed, seconded by Mr. King, and unanimously carried that the meeting be adjourned at 8:25 p.m.

Respectfully submitted,


Gina E. Solis
Agency Secretary

APPROVED:

June 17, 2008

**MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
3rd DAY OF JUNE 2008**

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 3rd day of June 2008, at the place and date duly established for holding of such a meeting.

President Francee Covington called the meeting to order at 4:00 p.m.

Ms. Covington welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Ms. Covington asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Ms. Covington stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Francee Covington, President
London Breed, Vice President
Linda A. Cheu
Leroy King
Ramon E. Romero
Darshan Singh
Rick Swig

Fred Blackwell, Executive Director, and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. No Reportable Action.

3. MATTERS OF UNFINISHED BUSINESS. None.

4. MATTERS OF NEW BUSINESS:

5. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- (a) Resolution No. 52-2008, authorizing a First Amendment to the Lease Agreement with Toshiba Financial Services, a California Corporation, to remove one of three eStudio 520 black and white copiers and authorizing a Lease Agreement with Toshiba Financial Services, a California corporation, to add one eStudio 351c color copier for a term of five years for a total aggregate amount not to exceed \$22,000 subject to annual budget appropriations
- (b) Resolution No. 53-2008, authorizing a First Amendment to the General Maintenance Agreement with Toshiba Business Solutions, a California corporation, to remove one black and white copier and add one color copier and for the maintenance of two Toshiba eStudio 520 black and white copiers for the remaining term of one year and a Toshiba eStudio 351c color copier for a term of five years, all for a total aggregate amount not to exceed \$30,000.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, THAT CONSENT AGENDA ITEMS 4 (a), RESOLUTION NO. 52-2008, and 4 (b), RESOLUTION NO. 53-2008, BE ADOPTED

REGULAR AGENDA

- (c) Workshop on Cultural Facilities

Presenter: Steven Maduli-Williams, Agency Staff

Director Blackwell stated that he wanted to clarify the purpose of the workshop and wanted to dispel the rumors about the Agency Commission considering defunding cultural organizations. Mr. Blackwell indicated the workshop was to provide an update to the Commission on the history of the Agency's support for cultural facilities with the spirit of the Agency's support of museum operations.

President Covington stated that the Commission Secretary informed her that there are close to 30 people, who would like to speak on this item, and in the interest of making sure everyone has an opportunity to address the Commission; the usual 3 minute time limit would be reduced to 2 minutes.

Speakers: Luis Cancel, Lysa Fabian, Noel Basconcillo, Paul Woo, Andrew Yamamoto, Andrea Morgan, Heather Hoell Hale, Bob Sauter, Kyri McClellan, Mike Nettles, Belva Davis, Kimberly Brandon, Kathleen Brown, Shiree Dyson, McKinley Williams, Elaine Wang, Ken Foster, Dr. Michael Penn, Agnes Chan, Jan Zivic, Margaret Jenkins, Charles Ward, Todd Brown, Raelle Myrick-Hodges, Meklit Hadero, Nestor Reyes, Deborah Cullinan, Karen Clopton, Debra Russell, John Cooper, Alma Robinson, Dana Curran

Commissioner Cheu stated that the need of having more policy discussions around broader issues rather than react to individual situations was discussed at the Commission retreat, which resulted in the need for today's cultural facilities workshop. Commissioner Cheu stated that in her experience with redevelopment consulting in California, the development of cultural facilities is commonly used as a tool for eliminating blight by redevelopment agencies which is not unusual in the support of cultural facilities, with the majority of museums in the United States being funded by a mix of contributions from public and private sources, and earned income from admission fees, food and beverage sales, retail sales, and other sources. Commissioner Cheu stated that the Agency needs to continue to support capital, as well as operating support for cultural facilities which will also entail a mix of land donations, construction costs assistance, and operating support, which, in her opinion, the mix will be unique in each case because each institution is different. Commissioner Cheu indicated that in looking into supporting the cultural facilities, the following ground work should be identified: (1) make sure the facility is appropriately sized; not just the appropriate size to house the collections but look at the demand, and what the attendance is going to be based on that, what are the physical planning parameters, and what is the appropriate exhibit area; (2) a business plan needs to be in place and make sure they go through all the steps to where they are able to sustain themselves with or without the Agency's support; (3) identify financing vehicles that allow the Agency to provide ongoing support, and not just use tax increment money. Commissioner Cheu asked General Counsel James Morales how the California Redevelopment Agency Law applies to using tax increment to fund operating costs for cultural facilities.

Mr. Morales stated that the California Redevelopment Law instructs the agency to use its tax increment funding primarily for creation and rehabilitation of buildings, and provides that the Agency can plan, design, and allocate funds for staffing, so long as it is directly related to the creation or rehabilitation of buildings. Mr. Morales indicated that some of the cultural facilities in YBC receive funding through an operating agreement which is primarily through developer contributions, and leased payments of the buildings in the immediate area of YBC, and the cultural facility area.

Commissioner Breed stated that as Executive Director of the African American Art and Culture Complex which is a community arts facility, she understand the difficulties in raising funds, in maintaining consistent revenue, and the difficulties in getting people to understand how important the arts are in making a difference in so many peoples lives. Commissioner Breed indicated that she is very happy that the agency has stepped forward, and has provided so much support to the arts, but unfortunate that it took the threat of defunding to bring the arts community to the Commission meeting. Commissioner Breed stated that she had anticipated more information around the Agency's policies, what has been done in the past in order to have a clear understanding of why and how the Agency supports the arts from a policy standpoint in order to continue to act as an advocate from a policy standpoint, and also from an artistic standpoint. Commissioner Breed requested more information on other cultural facilities in all project areas, including Bindlestiff, and pointed out that there was no information in the staff report

about the funding given to the Mexican Museum, and also inquired as to whether the Agency had funded the Cartoon Museum and Folk Museum. Commissioner Breed indicated that she wanted a clear understanding of policies set in the past in order to continue the support of the existing facilities to assure that they are given the appropriate support to enable them to survive for years to come, and expressed that there is a huge disparity between the funding that some institutions receive. Commissioner Breed asked for clarification on why tax increment money was used instead of other funds for MoAD expenses.

Mr. Maduli-Williams stated that MoAD was not funded as part of the lease payments due to where they are located, outside of the jurisdiction.

Commissioner Breed asked for clarification on the number of years the Agency will be funding each of the existing cultural facilities.

Mr. Maduli-Williams stated that the funding for the facilities are structured on a deal by deal basis, and indicated that he would provide a more detailed summary of all the extensions, the current agreements, and when they will expire.

Commissioner Breed asked for information on all cultural facilities funded outside of the Yerba Buena Center area and asked if any money was given to the Mexican Museum.

Mr. Maduli-Williams indicated that the Mexican Museum was provided with predevelopment funding, and did not have the amount on hand.

Commissioner Breed stated that she is aware that each deal is different but in moving forward, she would like an understanding of how the deals have been made so that the disparities can go away. Commissioner Breed noted that other organizations are able to raise more money than others, and there are other organizations that are in more need, and the Agency doesn't seem willing to bend to provide that additional need, and as a Commissioner, she would like to make sure that all the existing cultural institutions that are supported by the Agency receive the kind of support that they need in order to survive for years to come, and the Commission should focus in making them a huge success so that they do not end up down a bad path where they may not be in existence.

Mr. Maduli-Williams stated that most of these deals have been done on a deal by deal basis, and at this point there is no model of policy for why the Agency invests in some projects over others other than they make good economic sense, and good economic development sense at the time. Mr. Maduli-Williams pointed out that staff has been in discussions in terms of coming up with a model of how the Agency looks at one cultural investment verses another, what are some investment parameters that are important as an agency, important to the Commission, and what are some components that makes it a sustainable cultural institution, and build that into a model that can be analyzed, and make effective decisions as to why the Agency makes investments in some institutions, and not others.

Commissioner Swig stated that this Commission supports the arts aggressively, and is furiously trying to achieve what Commissioner Breed was speaking about. Commissioner Swig noted that the Agency should celebrate the fact that four organizations, YBCA, MOMA, Zeum, and, MoAD have been successful, and have become immediate icons upon the face of San Francisco, and hopefully on Sunday with the opening of the Jewish Museum, will have a fifth icon that will appear on the soil in San Francisco. Commissioner Swig stated that he shares the thoughts of Commissioner Breed and Commissioner Cheu in a different point of view, thinks Commissioner Breed's concerns about where all the deals came from, how the structures are created, and the variety of those structures having a lack of clarity, that it is important that the agency start creating a best practices or clear policies as the Agency moves forward, and redevelopment is all about bricks and mortar as well as the cultural good of the community, and the immediate neighborhoods. Commissioner Swig stated that he heard the Arts Commission Executive Director talk about, and read his memo about developing boards, and developing funding or teaching groups on how to do that, and that is not the responsibility of the redevelopment agency, the Agency's responsibility is to provide every opportunity to develop physical structures within redevelopment neighborhoods to create a venue for the arts, that being one half of the partnership from the Redevelopment Agency side but the other part of the partnership side is the non profits, and in the planning process to join as a partner to build out the board to find the funding to develop a plan, and move forward with the operational subsidy that is necessary to run a good business.

Commissioner Romero stated that his perspective is that he does not believe the Agency does enough for the arts and cultural interest, and stated that he wanted to be clear of his position that the Agency should do everything possible in terms of continuing in supporting the cultural facilities in San Francisco which makes the city very unique. Commissioner Romero stated that the Commission is often criticized, and noted that the Agency should be very proud of what the Commission has accomplished to date. Commissioner Romero closed in saying that he hopes all Commissioners would join him in feeling that they've done very good work and thanked the public for coming.

Commissioner Singh indicated that he agreed with Commissioner Romero's comments and asked if there were any current requests.

Mr. Maduli-Williams indicated that the Mexican Museum is requesting \$250,000, and other annual payments that have already been agreed too.

Commissioner Singh stated that he is very proud to be with the Redevelopment Commission and proud of all the funding towards the cultural facilities, believes they are all good investments.

Commissioner King asked his fellow Commissioners if they read the Mission Statement because they would have the answers to most of their questions about the purpose of the Redevelopment Agency.

Commissioner Covington stated that there is no doubt that cultural institutions in San Francisco add immeasurably to the vitality and mental and heart health of the citizens of the city, and the citizens of the world who visit. Commissioner Covington stated that the policies need to be revisited since the current policies are the result of something that was thought of long ago. Commissioner Covington expressed her appreciation to all that came to speak on the cultural facilities, in particular very heartwarming to hear the tremendous cooperation that is taking place between the organizations and the institutions. Commissioner Covington asked if the Agency provides any type of fund raising support and expertise.

Mr. Maduli-Williams indicated that it is not the Agency's line of business but it would make sense to think about how to create cultural sustainability among the institutions that the Agency supports, and thinks the agency can be creative on how to do that. Mr. Maduli-Williams pointed out that the Agency has many internal resources as well as the Commissioners, and other outside resources to help groups think through as they approach the Agency, and discuss in a collaborative way how the institution will grow, how will they become sustainable, and reach out to some groups that have already been funded who have been successful, and share their strategies, and success stories with either new emerging groups or other existing groups in the Agency's project areas.

Director Blackwell stated that the Commissioner's suggestions, along with Mr. Cancel's points to the need for the Agency to embrace the institution as a city family, and the need to stick to what the Agency does best which is the bricks and mortar, but the need to work with the Arts Commission, and other parts of the city family when it comes to capacity building support, fund raising plans, and development that the Agency is not necessarily expert in, but there are other members who are part of the city family that have the funding, and expertise to contribute in that way. Director Blackwell indicated that there is a need to look more comprehensively as a city family rather than the silos that have been traditional done.

Ms. Pickering, Agency staff, stated that she has been working on YBC since its inception and noted that the concerns expressed by the Commission, in terms of policies, was helpful to her, and would address their concerns in writing. Ms. Pickering indicated that she wanted to address the concern about the capital repairs that would be necessary for some of the buildings constructed by the Agency; YBCA and Zeum have a matrix in their operating agreements which requires that they take care of certain things, the Agency takes care of others, and a part of the separate account goes to fund capital repairs annually, provided through those lease arrangements. Ms. Pickering stated that the institutions the Agency is involved with, many do not get operating support, such as MOMA, and Zeum, and the Agency is supporting MoAD, and working to bringing them to sustainability. Ms. Pickering pointed out that MoAD's agreement terminates in 2016, and stated that it important that they get on solid ground now, but as Commissioner Romero stated, Zeum went through the same sort of problem, and the Agency was able to assist them, they have been in the black for three years. Ms. Pickering indicated that she would be working along with Mr. Maduli-Williams to provide the

Commissioners a staff report on all the questions raised but also noted that the Commission should be very proud in their support of a wonderful project.

Commissioner Covington asked if there were any expected operating support dollars going to the new Jewish museum.

Ms. Pickering that the Jewish Museum has been very successful in their funding raising campaign, and raised \$60M, similar to MOMA in the sense that they have developed that site, and will be able to operate it without any Agency support.

Commissioner Covington stated that she appreciated that the Board of the new Contemporary Jewish Museum came before the Commission and indicated that they felt the facility, as originally envisioned, was going to be too large, and the operating costs would be too onerous, and asked it be downsized. Commissioner Covington stated that she was very happy to know that they were able to do that and that things are looking very well.

Commissioner Breed inquired as to whether MoAD was located outside the jurisdiction of the St. Regis account funds.

Mr. Morales stated that the theory is that the blocks that receive the separate account funding are the blocks right across the street from the St. Regis, that is; the Gardens; the Center for the Arts, and Zeum, there is a relationship

Commissioner Breed inquired as to whether there was anyway that policy from the Agency could include all the cultural institutions within that area since MoAD is a part of that.

Mr. Morales stated that it would require a re-negotiation of the agreements.

Commissioner Breed stated that would be one of the policy decisions that she would like see changed, if possible. Commissioner Breed indicated that she would like to add, and conclude with the fact that the arts are always subsidized whether you are raising a significant amount of money or a small amount of money, it is completely dependent upon donations from foundations, and other public private dollar relationships, and applauds the efforts that San Francisco makes to support the arts, but stated that she feels it is not enough.

- (d) Resolution No. 54-2008, authorizing a First Amendment to the Letter Agreement with the Department of Public Works of the City and County of San Francisco to increase the budget by an amount not to exceed \$229,000, for a total aggregate amount not to exceed \$349,000, for design services for alleyway improvements; South of Market Redevelopment Project Area

Presenter: Mike Grisso, Agency Staff

Speakers: Raymond Smith, Antoinetta III, Andrew Harris, Charles Range, Francisco DaCosta

Commissioner Breed inquired as to what type of artwork was being proposed since she was concerned about what had happened to the art piece along the bus stop area on Mildred Howard Bridge which has been completely destroyed.

Mr. Grisso stated that they have not proposed any specific artwork at this stage, they are only proposing certain locations, but as they move into the construction documents phase, they will be looking at that issue, and are aware of the problems on the bridge and will not want to repeat that.

Commissioner Breed stated that her only recommendation is that mosaics are easier to maintain and to clean, and in considering pieces of art for this area, to consider the vandalism issue, maintenance of the art piece so it does not create a financial burden on the Agency in terms of replacing and repairing it. Commissioner Breed put forth a motion to adopt item 4(d).

Commissioner Romero seconded the motion.

ADOPTION: IT WAS MOVED BY COMMISSIONER BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 54-2008, BE ADOPTED.

- (e) Awarding Contract RPSB 001-08, authorizing the execution of a Construction Contract with BCCI Construction Company, a California Corporation, in an amount not to exceed \$5,255,856 for the Pier 40 Shed and Structure Improvements, and adopting environmental findings pursuant to the California Environmental Quality Act and the Mitigation Monitoring and Reporting Program; Rincon Point - South Beach Redevelopment Project Area (Resolution No. 55-2008)

Presenter: Kevin Masuda, Agency Staff

Speakers: none

Commissioner Cheu inquired as to why the Agency received just one bid; if that is typical for some projects or anything specific that makes the work unusual.

Mr. Masuda indicated that the specifics is that it combines architectural elements with marine construction elements, and currently there are only three contractors that have the equipment and insurance and the know how to work above the water.

Commissioner Cheu put forth motion to adopt item 4(e).

Commissioner Swig inquired as to whether staff actively pursued and solicited bids from the other two companies, and what their reasons were for not responding to the RFP.

Mr. Masuda indicated that BCCI is a General Contractor, not a marine contractor, and a thorough outreach effort was made in notifying over 200 A

license general contractors, invited them to bid on the project, but did not bid due to the complexity of the work. Mr. Masuda indicated that it is as if two general contractors are working on the project because the portion of work is about 40% for the marine specialized work over the water, and the rest architectural type of work, two very distinct types of contractors with almost equal amounts of work joining together and putting in a bid.

Commissioner Swig seconded the motion.

Commissioner Covington asked for clarification as to whether the work was above the water line, and if everything was on the platform for the pier, and whether there were any pilings.

Mr. Masuda indicated the work is above the water line, and the pilings are being repaired which requires the special insurance, license, and equipment and know how, the rest of the work occurs from the deck up, still above San Francisco Bay, and the shed is the structure on top of Pier 40 where the facades are getting replaced, and the walkway is being continued to the east end of shed.

Commissioner Covington inquired if there was new technology that is going to be implemented for the pilings going down into the bay.

Mr. Masuda indicated that this is one of the first concrete structures in San Francisco Bay built in 1910, and the plan is to use a fiberglass reinforced jacket, the jacket is placed around the pilings filled with grout, and provides more concrete refinement, and structural strength.

ADOPTION: IT WAS MOVED BY COMMISSIONER CHEU, SECONDED BY COMMISSIONER SWIG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 55-2008, BE ADOPTED.

- (f) Approving a fiscal year 2008-2009 budget for the Bayview Hunters Point Project Area Committee in an amount not to exceed \$250,000, subject to appropriations by the Board of Supervisors, and authorizing a third amendment to the personal services contract with Business Development, Inc., a California corporation, to extend the term of the contract for one year from July 1, 2008 to June 30, 2009 in an amount not to exceed \$250,000, for a total aggregate amount not to exceed \$583,750, to provide fiscal agent and administrative support services to the Project Area Committee; Bayview Hunters Point Redevelopment Project Area (Resolution No. 56-3008)

Presenter: Thor Kaslofsky, Agency Staff

Speakers: Angelo King, Ace Washington, Randall Evans

ADOPTION: IT WAS MOVED BY COMMISSIONER SWIG, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 56-2008, BE ADOPTED

- (g) Authorizing the Executive Director 1) to amend the Certificate of Preference Program by extending the Program's termination date, expanding benefits to existing Certificate Holders, and amending appeal procedures governing denial of Certificates, and 2) to determine the timing and appropriateness of a future expansion of eligibility to include certain relatives of the original displacees; All Project Areas and Citywide Housing (Resolution No. 57-2008)

Presenter: Olson Lee, Agency Staff

Speakers: Steve Nakajo, Leela Molex, Ace Washington, Randall Evans, Ted Hunt, Angelo King

Commissioner Swig stated that he would like to move item but before doing so, he would like to hear from his fellow Commissioners after he's raised a few questions. Commissioner Swig indicated that with the term extension of 15 years, he does not disagree with that but would suggest that it be 15 years in three, five year increments because he stated that it needs to be revisited every five years, and adjusted for the climate at that moment, the culture of that moment or the availability of certificate of preference holders. Commissioner Swig also indicated that he would like something that provides accountability, the report necessity for updates from the Agency back to the Commission on a periodic basis, to let the public, Commission, and interested parties know what the progress of this very important program is. Commissioner Swig stated that the issue of information; how do the certificates work is a very important question, and part of the responsibility of the Agency is to not only sort through the data base, the mechanics of finding people and contacting them, but being able to present a tutorial, proper information, pull information that is easy to understand so that certificate holders will know the value of their certificates, know their rights, and finding an easy and simple way to understand their rights. Commissioner Swig stated that he would like to move the item forward.

Commissioner Covington asked Commissioner Swig for clarification if he was making a motion to approve.

Commissioner Swig stated not at this time.

Commissioner Breed stated that she was very happy they've come this far, that it had been almost two years since both Commissioner Covington and herself brought up amending the current COP programs so that it can be extended to include grandchildren, and her thinking came about because of the complaints she received from community members about the people, and the age of the people who were both COP residential C and A holders. Commissioner Breed indicated that it was important to extend the program, and stated how incredible the overview of what the options are; comprehensive, but would like to consider bridging the gap with the community in order to utilize the community with the outreach efforts with those who have institutional knowledge, as Mr. King stated. Commissioner Breed stated that overall, it is a great and incredible start, time is of the essence, not because the Agency is leaving the area but because the certificate

holders are not around any longer, Commissioner Breed asked for clarification about the opt out notice, and whether it is to opt out in not having their information publicized.

Mr. Lee indicated that letters were sent saying that unless you return a notice to the Agency that you do not wish to have your information published as a certificate holder, their information would then publish it.

Commissioner Breed clarified that 219 said not to publish their information; four authorized that their information be published, 896 letters mailed, 223 responded, 219 opted out, and 4 opted in. Commissioner Breed asked who has access to the list.

Mr. Lee indicated that agency staff has access to list, and when a developer is ready to do the outreach to COP's for those developments, the Agency prepares the mailings.

Commissioner Breed asked for clarification if the list is released to some of the non-profit development corps that have claimed to be trying to track down or assist in tracking down the certificate holders.

Director Blackwell stated that the reason why the opt out letter was sent out was because a number of public requests for the list were requested, and they were supplied with the list for those who requested it in terms of the Sunshine Act request, but only a part of the list where people do not wish to be identified.

Commissioner Breed stated that she does not think that was a good idea because based on the percentage, most people do not want their information revealed to the public but due to the Sunshine Act, the Agency had the legal right to release the information.

Director Blackwell stated that there was extensive legal analysis done prior to releasing the information.

Commissioner Breed stated that she was open to Commissioner Swig's suggestions in terms of the changes if her fellow Commissioner's were open to them as well. Commissioner Breed put forth a motion to adopt item 4(g).

Commissioner Swig stated that he would like, with Commissioner Breed's permission, to state the motion.

Commissioner Breed approved.

Commissioner Swig stated that he would like to move the motion with the recommendation that the 15 year term be divided into one, five year term with two five year extensions with the requirement that the Redevelopment Agency report to the Commission no less than at every annual period on the progress of the effort, and that the Agency put every effort into creating a policy that will ensure an educational program that fully informs the public as to the process of redemption of the certificate of preference program.

Commissioner Breed seconded the motion.

Commissioner Singh asked for information in reference to Mr. Nakajo's statement.

Mr. Lee indicated that in terms of the extension, it is to provide a greater opportunity to redeem the certificates, and provide certificates going to greater generations from the original displacees, and believes the proposed changes accomplishes what Mr. Nakajo spoke of.

Commissioner Cheu asked if there is a more formalized mechanism to involve the community.

Mr. Lee stated that they are talking to all the people who conveyed an interest and ideas in the search process, how that would be conducted, and would like to do that as a first step in that process.

Commissioner Covington stated that over the course of the last year and a half there have been numerous meetings on this item, and expressed that much progress has been made in correcting a tremendous wrong that was done; not to have had housing available for people to exercise their certificates of preference for more than 40 years was an outrage, and believes new housing will become available so that certificate holders are able to avail themselves of those opportunities. Commissioner Covington stated that the program rules and the amendment of the program rules will not be set in stone, but will need to be amended accordingly in the future. Commissioner Covington also stated that she also wants to make sure the firm that is hired makes great efforts in location the hard to find certificate holders.

ADOPTION: IT WAS MOVED BY COMMISSIONER BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED, WITH COMMISSIONER BREED ABSENT, THAT RESOLUTION NO. 57-2008, BE ADOPTED.

- 4 (h)** Resolution No. 58-2008, Authorizing the Executive Director to establish a Certificate of Preference Home Buyers Assistance Program that serves Certificate Holders who are low- and moderate-income first-time home buyers and that includes: (1) second loans in an amount not to exceed \$100,000 or 50% of the purchase price for each participating household; and (2) an Individual Development Account match of up to \$5,000 or 2.5% of the purchase price for each participating household; and to allocate \$4,000,000 in funding for the program; All Redevelopment Project Areas and Citywide

Presenter: David Sobel, Agency Staff

Speakers: None

ADOPTION: IT WAS MOVED BY COMMISSIONER SWIG, SECONDED BY MR. SINGH AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 58-2008, BE ADOPTED.

Commissioner Swig complimented Mr. Sobel on his hard work, commented that it was a great program, well thought out, and knows that there was community support, praised Mr. Sobel for putting a great program that is understandable, and simple to communicate to people.

Commissioner Swig put forth a motion to adopt item 4(h).
Commissioner Singh seconded the motion.

Commissioner Cheu stated that she agreed with Commissioner Swig's comments, and indicated that she was also happy to see the Housing Council piece in the program.

Commissioner Covington also agreed with her fellow Commissioner's statements, and asked Commissioners to review page two of the handout to see the members of the Working Group, comprised of citizens and staff, and believes it to be an excellent outcome. Commissioner Covington stated that the Agency is blazing new trails nationally; no one else is doing this.

5. **MATTERS NOT APPEARING ON AGENDA:** None

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

Tony Taylor, Janet Campbell, Ace Washington

7. **REPORT OF THE PRESIDENT:**

- After discussions with staff, and recent history at the Commission meetings, Commissioner Covington expressed her serious concerns about the maintenance of decorum at the upcoming July 8th meeting, and understands that threats have been leveled promising to disrupt the proceedings, and that is information she needed to share with the Commission, and the public. When the Commission calls a meeting, the Commission is responsible, to some extent, for the safety of all attendees at the meeting, and with threats of disruption, she was so concerned that she asked the Commission Secretary to talk to the Clerk of the Board to see if the Supervisor's Chambers would be available for the meeting which would accommodate a huge crowd that is expected, and the feedback is that the Board of Supervisor's Chambers is available Thursday, July 10th. Commissioner Covington stated that she would like feedback from her fellow Commissioners as to whether or not this is something they would like to consider, the Agenda would be focused on the Western Addition, and leading up to that meeting at City Hall, staff members, as well as members of other departments of City Government, would be holding meetings to explain to people what areas DPW, and the Planning Dept. will be taking over, and the Commission will discuss these items at the July 10th meeting.
- Commissioner Romero stated that he supported whatever decision President Covington makes in terms of the location of the meeting and has full confidence in President's ability to make sure the Commission meets at the

right place, either because of security concerns or because of the size that is anticipated. Commissioner Romero stated that his main concern is the safety of the public and is something to be taken seriously. Confirmed his availability on July 10th.

- Commissioner Swig stated that he is available and, based on President Covington's recommendation, agrees that the meeting be held at 4pm in the Board of Supervisor's Chambers.
- Commissioner Singh stated he was available July 10th at the Board of Supervisors Chambers.
- Commissioner Cheu stated that she is available July 10th, and indicated there is value to meeting in the community but not if the meeting isn't going to be productive.
- Commissioner Breed stated she agrees with whatever President Covington recommends and is available.
- Commissioner King stated that is available to meet at the Board of Supervisor's Chambers on July 10th.
- President Covington stated that the consensus is that the Commission meeting on the Western Addition items, with emphasis on the Transition Plan, will be held on Thursday, July 10th. at City Hall in the Supervisors Chambers, at 4pm.

8. **REPORT OF THE EXECUTIVE DIRECTOR:** None

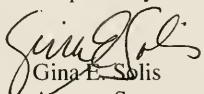
9. **COMMISSIONERS' QUESTIONS AND MATTERS:** None

10. **CLOSED SESSION:** None.

11. **ADJOURNMENT:**

It was moved by Commissioner Singh, seconded by Commissioner Breed, and unanimously carried that the meeting be adjourned at 8:55 p.m.

Respectfully submitted,


Gina E. Solis
Agency Secretary

ADOPTED:

June 17, 2008

**MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
17th DAY OF JUNE 2008**

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 17th day of June 2008, at the place and date duly established for holding of such a meeting.

President Francee Covington called the meeting to order at 4:00 p.m.

Ms. Covington welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Ms. Covington asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Ms. Covington stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Francee Covington, President
London Breed, Vice President
Leroy King
Ramon E. Romero
Darshan Singh
Rick Swig

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The following Commissioner(s) were absent:

Linda Cheu

Fred Blackwell, Executive Director, and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. No Reportable Action.

3. MATTERS OF UNFINISHED BUSINESS. None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- (a) Approval of Minutes: Meetings of May 20, 2008, and June 3, 2008
- (b) Authorizing a tax increment loan agreement with Mr. Manubhai T. Patel and Mrs. Manjuben M. Patel, husband and wife, owners of the Hunter Hotel, for an amount not to exceed \$60,000, pursuant to the Single Room Occupancy Hotel Rehabilitation Loan Program, for rehabilitation activities at the Hunter Hotel, located at 100 Sixth Street; South of Market Redevelopment Project Area (Resolution No. 59-2008)
- (c) Authorizing a tax increment loan agreement with Nasir Patel and Nasreen Patel, husband and wife, owners of the Park Hotel, for an amount not to exceed \$100,000, pursuant to the Single Room Occupancy Hotel Rehabilitation Loan Program, for rehabilitation activities at the Park Hotel, located at 1040 Folsom Street; South of Market Redevelopment Project Area (Resolution No. 60-2008)
- (d) Authorizing a tax increment loan agreement with Nikita Holdings, LLC, of which Mr. Pravin M. Patel is the sole member, owner of the Auburn Hotel, for an amount not to exceed \$100,000, pursuant to the Single Room Occupancy Hotel Rehabilitation Loan Program, for rehabilitation activities at the Auburn Hotel, located at 481 Minna Street; South of Market Redevelopment Project Area (Resolution No. 61-2008)
- (e) Authorizing Amendment No. 7 to the Agency's Master Lease with the United States Department of the Navy to extend the term through August 30, 2008; Hunters Point Shipyard Redevelopment Project Area (Resolution No. 62-2008)
- (f) Authorizing a Fourth Amendment to the Amended and Restated Hunters Point Shipyard Sublease Agreement with Patterns Limited, Incorporated, a California corporation, doing business as The Point, to extend the term of the sublease through August 30, 2008; Hunters Point Shipyard Redevelopment Project Area (Resolution No. 63-2008)
- (g) Authorizing a 2008-2009 Fiscal Agent Agreement with the County of Marin in an amount not to exceed \$438,000 from July 1, 2008 to June 30, 2009; Housing Opportunities for Persons with AIDS Program (Resolution No. 64-2008)
- (h) Authorizing a 2008-2009 Fiscal Agent Agreement with the County of San Mateo in an amount not to exceed \$694,000 from July 1, 2008 to June 30, 2009; Housing Opportunities for Persons with AIDS Program (Resolution No. 65-2008)

President Covington requested item 4(a), Minutes of May 20th, and June 3rd be removed from the Consent Agenda for clarification purposes.

Commissioner Swig requested that items 4 (b), (c), and (d) be removed from the Consent Agenda for further discussion.

Commissioner Swig put forth a motion to adopt items 4 (e), (f), and (g) and (h). Commissioner Romero seconded the motion.

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED, (WITH MS. CHEU ABSENT), THAT RESOLUTION No's 62-2008, 63-2008, 64-2008, and 65-2008, BE ADOPTED.

REGULAR AGENDA

- (a) Approval of Minutes: Meetings of May 20, 2008, and June 3, 2008

President Covington requested that the May 20th Minutes reflect the following changes for clarification purposes which would change the meaning of the sentences in which they are included; Page 2 of 15, the word "negations" should be corrected to "negotiations"; Page 2 of 15, the word "honorus" should be corrected to "onerous".

President Covington requested that the June 3rd Minutes reflect the following change on Page 14 of 14, under Commissioner Cheu's comments relating to moving the Western Addition Meeting to July 10th; Commissioner Cheu stated that she is available July 10th, and indicated there is value to meeting in the community but not if the meeting isn't going to be productive.

Commissioner Swig asked for clarification on the correct date of the Minutes to be May 20th instead of May 6th.

The Commission Secretary indicated that the correct date is May 20th.

Commissioner Breed put forth a motion to approve the May 20th and June 3rd minutes as amended by President Covington. Commissioner Romero seconded the motion.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED, (WITH MS. CHEU ABSENT), THAT THE MINUTES FOR MAY 20TH AND JUNE 3RD, AS AMENDED, BE ADOPTED.

- (b) Authorizing a tax increment loan agreement with Mr. Manubhai T. Patel and Mrs. Manjuben M. Patel, husband and wife, owners of the Hunter Hotel, for an amount not to exceed \$60,000, pursuant to the Single Room Occupancy Hotel Rehabilitation Loan Program, for rehabilitation activities at the Hunter Hotel, located at 100 Sixth Street; South of Market Redevelopment Project Area (Resolution No. 59-2008)

Commissioner Swig inquired as to why items 4 (b), (c), and (d) on the same subject properties were being presented on the agenda at the same time.

Director Blackwell stated the Commission approved discontinuing the rehab program and designated Dec. 17, 2007 as the deadline for new applications, and June 30, 2008 as the deadline for completed packages; the three items represent the last set of hotels applying for the rehab program.

Commissioner Romero put forth a motion to adopt items 4 (b), (c), and (d). Commissioner Singh seconded the motion.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, (WITH MS. CHEU ABSENT), THAT RESOLUTION NO. 59 -2008, BE ADOPTED.

- (c) Resolution No. 60-2008, Authorizing a tax increment loan agreement with Nasir Patel and Nasreen Patel, husband and wife, owners of the Park Hotel, for an amount not to exceed \$100,000, pursuant to the Single Room Occupancy Hotel Rehabilitation Loan Program, for rehabilitation activities at the Park Hotel, located at 1040 Folsom Street; South of Market Redevelopment Project Area.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, (WITH MS. CHEU ABSENT), THAT RESOLUTION NO. 60 -2008, BE ADOPTED.

- (d) Resolution No. 61-2008, Authorizing a tax increment loan agreement with Nikita Holdings, LLC, of which Mr. Pravin M. Patel is the sole member, owner of the Auburn Hotel, for an amount not to exceed \$100,000, pursuant to the Single Room Occupancy Hotel Rehabilitation Loan Program, for rehabilitation activities at the Auburn Hotel, located at 481 Minna Street; South of Market Redevelopment Project Area

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, (WITH MS. CHEU ABSENT), THAT RESOLUTION NO. 61-2008, BE ADOPTED.

(i) Workshop on the proposed Fillmore Jazz Preservation District Community Benefits Fund Grant Program

Presenter: Andrea Baker, Agency Staff

Jenny McNulty, Erica Green, Idell Wilson, Randall Evans, Daniel Laudry

Commissioner Romero called for point of order, and stated that he has been trying to listen to the speaker but the distractions and disruptions going on in the audience were not allowing him to do so.

President Covington asked that the clock be stopped so the speaker would not run out of time. President Covington stated that she admonished members of the public not to shout out and that would be her only warning. President Covington asked the Commission Secretary to call the bailiff due to a Commissioner who had complained, and a Commissioner who had written her a note about the disruption.

Daniel Laudry continued, Ace Washington, Deborah Edgerly, Helen Branham

Commissioner Breed stated that the entire point of the workshop was to obtain feedback from both the community, and Commissioners. Commissioner Breed indicated that she had requested to send the matter to the WACAC where it has been for the past 3 years, and stated that there were no recommendations from the CAC on how the funds should be distributed to benefit the community. Commissioner Breed indicated that she and President Covington decided that they needed to take leadership on this matter to move forward, and developed a draft program with their preference of incorporating suggestions and recommendations from the community; Urban Solutions were the only respondents with recommendations.

Commissioner Breed commented on the staff report, in particular, the section that read “be able to provide articles of incorporation if the entity is a non-profit”, Commissioner Breed indicated that she did not want that as a requirement in terms of limiting the number of years a non-profit has been in existence, and requested that it be changed in some form. Commissioner Breed inquired as to how it was determined that a “consultant” was to administer the program.

Ms. Baker stated that she used the term “consultant” due to the fact that they are still in negotiations with the consultant and, at the request of Urban Solutions, asked that they not use their name specifically because they had not negotiated a fee.

Commissioner Breed stated for clarification purposes that the reason why she made recommendations to the program were due to the same reasons stated by Ms. Branham in terms of people having trouble accessing loans through the

loan program, credit issues, and problems with getting support needed to start their businesses. Commissioner Breed stated that Urban Solutions did their best to support individuals who have lived in the community all their lives, did not have access to resources available through Redevelopment. Commissioner Breed indicated that she agrees with the timeline of two cycles rather than rushing the program, and implementing the program appropriately so that it would be more effective, rather than trying to push the program.

Commissioner Breed indicated that she would like to see more community efforts as it relates to outreach to notify members of the community, and would like to find a way, in terms of eligibility requirements, so that residents, organizations, and businesses that are part of the Western Addition Community benefit from particular grants. Commissioner Breed stated that she would like to see the eligibility requirements tightened, and to incorporate job creation as a priority in the program.

Commissioner Romero thanked and acknowledged both President Covington, and Vice President Breed's amount of work they contributed towards the program, and indicated that he would have to trust their judgment due to the fact that, as he pointed out to the radio audience, that the constant moving around in the audience, members of the press, pictures being taken, shout outs, conversations on the side, people walking in and out, being greeted and so on during public comment was very distracting and was not able to focus or listen to the comments from the public. Commissioner Romero stated that the input and views from the public should be taken seriously, and when leaving the podium after observing the time limits, to be respectful of others who wish to be heard because there were people in attendance who were very serious about the provisions of the program and he would have liked to have heard what they had to say.

Commissioner King stated that it was his understanding that there was going to be in a meeting in the Western Addition to get the input from the residents about what is really going on in their community, and indicated that certain people who spoke on the program are not representative of the whole community. Commissioner King made a few suggestions of other locations to hold a community meeting.

Commissioner Swig thanked Commissioner Breed and President Covington for their efforts, commented he agrees with Commissioner Breed that the timing and time schedule of December 31, 2008 was a little ambitious given the fact that there is an outline in the program with staff still researching the program. Commissioner Swig pointed out that the program is a grass roots program; it's about education and giving people a chance to learn about setting up a business, going through a process and giving them a break which doesn't happen overnight. Commissioner Swig recommended that the time schedule should be extended to enable a learning curve for everyone to get a fair chance, and recommended that there be limitations given with people who

have some legacy in the community, some experience in either managing the business or having an existing business, but not setting up the program as a free for all. Commissioner Swig expressed concern about the \$360,000 cost for administration, and recommended to staff to look into getting pro bono activity from a nonprofit to administer the grants as opposed to paying some high cost for administration. Commissioner Swig stated that there should be further study to providing an amount that will be effective to enable people to get into business. Commissioner Swig also stated that he agreed with Commission Breed that there be some restriction on who gets employed and who gets the grants, and should be restricted to people who live in the Western Addition; they should be employed in the businesses that benefits from the grants because that is the whole point of the program.

Commissioner Singh inquired as to how many projects Urban Solutions has done for the Redevelopment Agency.

Ms. McNulty stated that in the last year, in the Western Addition, there were 60 jobs created at 1300 on Fillmore. They are providing small business consulting, technical assistance to entrepreneurs in the South of Market, business attraction, merchant organizing, and are providing technical assistance to small business owners. Ms. McNulty stated that those were the two project areas where they are a contractor to the Agency, and will be going into contract with the Agency for a grant of \$300,000 for July to December to administer the façade improvement program.

Commissioner Singh indicated that he would like to see the qualifications of those who will be running the program in the Western Addition to ensure that the job is properly done.

Ms. McNulty stated that she would provide the information to the Commissioners.

Commissioner Breed responded to Commissioner Swig's inquiry about the grant, and stated that she has been on the Community Challenge Grant Committee, is familiar with the different grant opportunities that exist in both foundations, and has looked at a number of amounts and limits. Commissioner Breed stated that the \$15,000 grant amount is not a firm decision and could be arranged to certain guidelines based on certain amounts, her goal in supporting an amount is looking at the opportunities, costs they relate to, events at the Fillmore, business façade improvements, and costs associated with those. Commissioner Breed stated that if there are any suggestions as far as range in an amount or other amounts with justification, those would be taken in consideration. Commissioner Breed stated that she would welcome any written feedback from the public.

Commissioner King inquired as to how many people from the Western Addition community work on the Safeway project and the Hamilton Recreation Park on Geary and Steiner.

Mr. James Fields, SFRA Contract Compliance Supervisor stated that he is not aware of the number of personnel that are working on the Safeway project because the construction work is not under the jurisdiction of the Redevelopment Agency. Mr. Fields stated that the Hamilton Recreation Park Project is under the Department of Public Works who do work for the city's Recreation and Parks Department, and the construction workforce is coordinated through the CityBuild program. Mr. Fields reassured the Commission that staff has been coordinating the transition of construction workforce for agency projects in the Western Addition.

- (j) Resolution No. 66-2008, Approving an amendment to the budget of the Redevelopment Agency of the City and County of San Francisco for fiscal year 2007-08 by increasing the Agency's tax increment receipts and expenditure authority each in an amount not to exceed \$22,401,050 for affordable housing development, authorizing a cooperation agreement with the City and County of San Francisco, and authorizing the Agency to increase its annual statement of indebtedness by an amount not to exceed \$22,401,050; All Redevelopment Project Areas and City-Wide

Presenter: Amy Lee, Agency Staff

Speakers: None

ADOPTION: IT WAS MOVED BY COMMISSIONER ROMERO, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED, (WITH MS. CHEU ABSENT), THAT RESOLUTION NO. 66-2008, BE ADOPTED.

- (k) Resolution No. 67-2008, Approving a Fiscal Year 2008-2009 Budget for the South of Market Project Area Committee in an amount not to exceed \$212,458 subject to appropriation by the Board of Supervisors; South of Market Redevelopment Project Area

Presenter: Cathy Pickering, Agency Staff

Speakers: Ingrid Aquino, Raymon Smith, Charles Range, Henry Kearnowicz

Commissioner Breed requested, in order to conserve paper that the SOMPAC newsletters are emailed to the Commission Secretary who will then email to all Commissioners.

Commissioner Breed put forth a motion to adopt item 4(k)
Commissioner Singh seconded the motion.

Commissioner Swig stated SOMPAC has set a high standard for neighborhood committees, appreciates their constructive feedback which has always been consistent, work diligently, and passionately. Commissioner Swig stated his support of the budget.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, (WITH MS. CHEU ABSENT), THAT RESOLUTION NO. 67-2008, BE ADOPTED.

Items 4 (l, and m) were presented together but acted on separately)

- (l) Resolution No. 68-2008, Authorizing a Housing Opportunities for Persons with AIDS Supportive Services Agreement with Catholic Charities/Catholic Youth Organization, a California nonprofit public benefit corporation, in an annual amount not to exceed \$260,000, for a total aggregate amount not to exceed \$780,000, for July 1, 2008 to June 30, 2011, to provide supportive services related to the HOPWA Rental Assistance Program; Housing Opportunities for Persons with AIDS

Presenter: Pam Sims, Agency Staff

Speakers: None

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, (WITH MS. CHEU ABSENT), THAT RESOLUTION NO. 68-2008, BE ADOPTED.

- (m) Resolution No. 69-2008, Authorizing a Housing Opportunities for Persons with AIDS Rental Assistance Agreement with the Housing Authority of the City and County of San Francisco in an annual amount not to exceed \$3,250,000, for a total aggregate amount not to exceed \$9,750,000, for three years from July 1, 2008 to June 30, 2011, to provide rental subsidies and administration related to the HOPWA Rental Assistance Program; Housing Opportunities for Persons with AIDS Program

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, (WITH MS. CHEU ABSENT), THAT RESOLUTION NO. 69-2008, BE ADOPTED.

5. **MATTERS NOT APPEARING ON AGENDA:** None

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

Randall Evans, Ace Washington

7. **REPORT OF THE PRESIDENT:**

- Attended opening festivities for the new Contemporary Jewish Museum, encouraged everyone to visit.

- Announced and encouraged all to attend the Special Commission Meeting scheduled for July 10th at City Hall, 4pm in the Supervisors Chambers, which will focus exclusively on the Western Addition with key features such as:
 - the transition plan
 - grants program for small businesses as well as non-profit agencies
 - certificate of preference program
- President Covington felt the need to comment on what was going on at today's Commission meeting so that people are aware, for the record, that she will not be as patient in the future as she was today. President Covington stated the following: "this disruption of these meetings where we are trying to conduct the people's business is at an end. I will not have this again. People will receive one warning and that's it. We have a lot of work to do. The work that we do overwhelmingly is good work. What happened 40 years ago - we're all concerned about what happened 40 years ago, but this is today and people need to focus on how to get positive change affected. This July 10th meeting was changed to City Hall because threats were made to disrupt those meetings much more than you might have heard or witnessed today, and my concern for public safety is paramount."

8. REPORT OF THE EXECUTIVE DIRECTOR:

- SFRA Budget scheduled to be heard before the Budget and Finance Committee on Thursday, June 19th, and June 26th, time uncertain.

9. COMMISSIONERS' QUESTIONS AND MATTERS: None

10. CLOSED SESSION: None.

11. ADJOURNMENT:

It was moved by Commissioner King, seconded by Commissioner Breed, and unanimously carried that the meeting be adjourned at 5:55 p.m.

Respectfully submitted,



Gina E. Solis

Agency Secretary

ADOPTED:

July 2, 2008

**MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
1ST DAY OF JULY 2008**

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 1st day of July 2008, at the place and date duly established for holding of such a meeting.

President Francee Covington called the meeting to order at 4:00 p.m.

Ms. Covington welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Ms. Covington asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Ms. Covington stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Francee Covington, President
London Breed, Vice President
Linda Cheu
Leroy King
Ramon E. Romero
Darshan Singh
Rick Swig

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Fred Blackwell, Executive Director, and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. No Reportable Action.

3. MATTERS OF UNFINISHED BUSINESS. None.

4. MATTERS OF NEW BUSINESS:

Commissioner King put forth a motion that the closed session item on today's agenda be taken off the agenda and schedule the item to be heard at the next regular Commission meeting of July 15th.

Commissioner Romero put forth a motion to adopt the motion, seconded by Commissioner Singh that the closed session item be removed from today's agenda, and schedule the items for discussion at the next regularly scheduled meeting of July 15th.

Speaker: Eli Aramburo

Commissioner Breed asked for clarification if the item is pulled from the closed session, in order to be voted on at the next meeting, would the item need to be specified in the same manner as it is specified under closed session.

Mr. Morales, Agency General Counsel stated that the motion before the Commission continues the matter of closed session until the next meeting, if the intent of the Commission is to place the ENA and MOU on the regular agenda, there should be either a clarification of the motion or a separate motion to accomplish that.

Commissioner King stated that his motion was to put the item on the agenda for July 15th for a vote.

Mr. Morales stated that it is his understanding that Commissioner King's motion is that the Commission is voting to put the ENA and the MOU on the regular agenda for the next scheduled regular meeting. Mr. Morales stated that the matter of the closed session only relates to a narrower discussion as it relates to the real estate transaction between the Agency, the Mexican Museum, Millennium, and JMA, and the two items also being considered by the Agency at some point, that is the ENA with Millennium and JMA, and separately, the MOU with funding for the Mexican Museum. As Mr. Morales understands Commissioner King's intent by his motion, it is to put both the ENA and the MOU on the regular agenda of July 15th.

Commissioner Cheu inquired as to whether there was any new information or direction staff would need at this point that could not wait two weeks for it to be on the public agenda.

Director Blackwell stated that the only new information are the terms of the MOU; the terms of the real estate deal has not changed dramatically since the last closed session on this matter was held.

Commissioner Covington stated that the motion needed to be as explicit as possible because the items are not broken into two, and both items need to be stated clearly. She also suggested that the closed session be held at tonight's

meeting, and put the items on the regular agenda at the next regular meeting of July 15th for a vote, she expressed that she did not see them as being mutually exclusive, and should not preclude them from having the closed session.

Commissioner Romero stated that he is very clear on the motion which has been clarified twice, and stated that there have been two closed sessions on the matter. It is his understanding that his fellow Commissioners are in agreement that they would like these items heard at the next regularly scheduled meeting of July 15th to vote in public, and have a public airing of all the issues. Commissioner Romero stated that he was in full support of Commissioner King's motion and does not believe that there is a need of the closed session since it would be a repeat of what has already been heard according to the statement made earlier by Director Blackwell, that there are no substantive changes.

Commissioner Swig stated, for clarification purposes, his understanding of Commissioner King's motion suggests not to have closed session today, and is suggesting that the agenda for July 15th include the discussion of the ENA for 706 Mission, and separately, an agenda item that would discuss the MOU with the Mexican Museum; that is the motion that he would be voting on.

Mr. Morales clarified that that motion would mean that there would be no closed session on this item at the next meeting.

Commissioner Covington restated for clarification purposes that there would be no closed session on this item at this meeting, and the item would appear on the regular agenda at the next meeting.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT THERE WOULD BE NO CLOSED SESSION AT THIS MEETING, AND THE ITEMS WOULD APPEAR ON THE REGULAR AGENDA AT THE JULY 15TH MEETING; BE ADOPTED.

CONSENT AGENDA

- (a) Approval of Minutes: Meeting of June 17, 2008

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MS. CHEU ABSTAINED BY LINDA CHEU), THAT MINUTES OF THE MEETING OF JUNE 17, 2008, BE ADOPTED.

REGULAR AGENDA

- (b) Public Hearing to hear all persons interested in the Draft Environmental Impact Report for the Visitacion Valley Redevelopment Program

Presenter: Stanley Muraoka,

Speaker: Randall Evans, Francisco DaCosta, Espanola Jackson, Daniel B. Landry

Commissioner Swig stated that he would like clarification on the traffic piece, envisioned massive gridlock that is reflected in the EIR. In referring to the executive summary on page 262, section 2.5.2, asked if it was the recommendation of the EIR that alternative two which includes 735 residential units, 131,500 sq. ft. of retail, the result of the project or are all six alternatives still a condition.

Mr. Muraoka stated that is the requirement of the State Environmental Law, the purpose of the EIR is to project what would happen if the project was to go ahead and be built according to the redevelopment program, the main project that is described in the body of the document. The alternative is looking at different scenarios, and distinguishes the difference in impacts between the proposed project, and the different scenario. What the State Environmental Law (CEQA) is to identify, if there is one, what is called an environmentally superior alternative. That is the one that has the least adverse impacts and that is the disclosure statement. It identifies what would be environmentally superior but in the environmental document, staff is not making any recommendations for one alternative over another or over the preferred project that is for the Commission to deliberate once staff has completed the environmental document.

Commission Swig asked if it is legal in an EIR to rank the most environmentally positive items so the Commissioners can evaluate other alternatives more thoroughly, and get an opinion of ranking on those with regard to its environmental impact.

Mr. Muraoka stated that typically, they do not do that in an environmental document, what is required is to identify, if there is one, the most environmentally sensitive alternative, however, would add a caution to that, and that is they want a "what if" scenario on the project and on the alternatives, there are many factors that need to be considered, for example; the number of affordable housing units that would be included in the program, and one program versus an alternative, so at the end of the process when staff comes before the Commission asking for consideration of the proposed redevelopment program, the environmental impact document is one of many considerations that the entire Commission will be asked to make. Mr. Muraoka stated that there are considerations of physical and environmental impacts, which proposal would have fewer impacts than others; they would have to be considered in light of the mitigations. The EIR identifies certain mitigations with the application of mitigations, some of the impacts that are identified would either be precluded, would not occur, or would be reduced to what generally the technical specialist to be a less than significant level. There is some impact but it would generally not be noticeable and the Commission would be asked to consider those mitigations along with what are considered to be the benefits of the project.

Commissioner Swig asked for suggestions in instructing the Commissioners as to how they might evaluate the EIR report thoroughly so they can understand which have the most dynamic environmental impacts, and which would have the least.

Mr. Muraoka stated that on page 17.7 which contains the table of the different alternatives and compares them against various environmental factors; it does not rank them but contains a comparison which would be helpful. As he alluded to earlier, typically an environmental document does not rank the project versus the alternatives but does disclose what would be the differences in impact and the table does that. For the purpose of environmental review, their goal and objective is to look at potential physical impacts from a development proposal as objectively as possible and disclose that information to the Commissioners as decision makers, and that is the goal of the EIR, the goal in terms of taking public testimony is to listen to what people have to say about the environmental document and come back to the Commission with the responses to the comments made by the Commission, along with any changes in the environmental document that are appropriate.

Commissioner Breed stated that she noticed that there were not very many speakers on this item and wanted to make sure in moving forward that there is more community outreach, letters be sent to the zip code that will be vastly affected by the plan. Commissioner Breed asked if there was a VVCAC that has been working with Redevelopment on this particular project.

Mr. Tom Evan, Lead Planner, stated that they have been working with the VVCAC appointed by the Mayor for two years, Russel Morine who spoke earlier is a member of the CAC have testified at both the Planning hearing and today's hearing along with two other CAC members.

Commissioner Breed asked if notices have been sent to zip codes that will be affected by the project.

Mr. Evans stated that notices were sent to over 3,000 addresses including everyone within a 300 foot radius of the project area boundary, 1,100 CAC mailing list, list provided by the planning department with everyone interested in EIR's citywide, including regulatory agencies that are impacted by EIR's.

Commissioner Breed inquired as to whether the notices went out in different languages.

Mr. Evans stated that the notices were posted digitally in Chinese.

Commissioner Breed suggested in moving forward that staff does their due diligence in communicating to the community through their churches, organizations and other entities that already exist and not forcing them to come to the table at the CAC or the Commission level.

Commissioner Cheu stated for clarification that the review process of the EIR goes through July 21st and if people do have comments they can submit them in alternative ways.

Mr. Evans clarified that comments can be submitted by writing to the Redevelopment Agency at One South Van Ness, 5th Floor, San Francisco, CA 94103, Attention Tom Evans. Mr. Evans also indicated that there is information on the Agency's website, copies of the EIR are available at the front desk at the Agency, and at the Planning Department information counter at 1615 Mission, also at the Public Library Main Branch and the branch library at Leland Avenue, copies are also available at the Sunnydale Community Center and at 50 Raymond, and posted the neighborhood with the information.

Commissioner Covington stated that on page 19.1 which lists the organizations and persons contacted and EIR consultant team did not see the names of the members of the CAC.

Mr. Evans stated that he would add the VVCAC member's names on the list.

Commissioner Covington inquired as to how many CAC members are currently serving.

Mr. Evans stated 18 members at this time.

Commissioner Covington noted under the City and County of San Francisco she noticed that a few people have changed positions and asked if their successors to their positions have been included in the process.

Mr. Evans stated that they have been working with Jon Lau who replaced Grey Assay and will update to list both Supervisor Aides.

- (c) Resolution No. 70-2008, Authorizing an Amended and Restated Letter Agreement with the Mayor's Office of Community Development, in an amount not to exceed \$1,027,983, subject to appropriation of funds, for administration of contracts with five community-based organizations to provide business assistance and employment development services from July 1, 2008 to December 31, 2008; All Redevelopment Project and Survey Areas

Presenter: Angela Heyward, Agency Staff

Speakers: Ingrid Aquino, Clifton Birch, Francisco DaCosta, Randall Evans, Espanola Jackson, Daniel Landry, Mignon C. McGregor, Dan Solberg, Lola Whittle, Ace Washington

Commissioner Romero put forth a motion to adopt item 4(c).
Commissioner Singh seconded the motion.

Commissioner Cheu asked about the performance of the organizations under the existing contract, and if they were meeting their targets. Commissioner Cheu stated that she agreed with Ms. Espanola Jackson's point about language sensitivity, and asked about language capabilities of the organizations.

Mr. Brian Cheu, Managing Director of Programs, MOCD, stated that overall, both programs were doing fairly well, the incubator program exceeding many of its numbers; for example, they have projected eight jobs created and according to the database, they have 72 jobs created. In terms of new clients, the numbers have been below projections primarily due to the hard times in the economy, while they had projected 22 new clients they have only been able to serve 11 new clients in the Western Addition A-2 area. Mr. Cheu stated, on the employment side, Mission Hiring Hall has proved to be successful, Young Community Developers, and Ella Hill Hutch have had challenges in terms of their employment numbers with turnover in staff and are in the process of verifying placement numbers at both organizations and will come back at a later time to give firm numbers. Mr. Cheu stated that they have been in discussions with Elouise Patton and Lisa Williams at Ella Hill Hutch to get a firmer handle on those numbers due to recent staff turnover. On the language capacity of the organizations, Mission Hiring Hall has been successful in getting a fairly diverse group of employment specialist; have actively YCD, the agencies have made an attempt to expand their staff language capacity to include Chinese, and both Directors have indicated that they would continue their efforts, Urban Solutions and Renaissance have the capacity to outreach to the Latino and Chinese speaking communities.

Ms. Whittle indicated that they are launching their first eight week business planning training for Spanish language this month, are outreaching now for Mandarin and Chinese language, and has perspectives which they are currently interviewing. Ms. Whittle stated that they are doing outreach in introducing their Spanish and English programs through BMagic and various communities such as, Hunters View, Sunnydale, Alice Griffith, and Oakdale.

Jenny McNulty stated that currently, staff members speak the following languages: Vietnamese, Spanish, Thai, Korean, Japanese, French, and Bambara.

Commissioner Cheu asked when was the last time the controller's office conducted an audit of the organizations.

Mr. Cheu stated that he was not aware of any recent controller's office auditing of the organizations, is aware that all of the organizations participate in the joint fiscal monitoring that falls within the controller's office which is when the many different departments that fund one single agency go out and do a fiscal monitoring.

Commissioner Breed stated that it was her understanding that the entities receive public monies through the MOCD, and the controller's office requires a bi-annual audit, would like to find out if these audits have taken place because, as she stated, it definitely has not taken place at Ella Hill Hutch Community Center.

Commissioner Breed inquired as to whether there have been any recent audits of the organizations.

Mr. Cheu stated that, to his knowledge, there has not been any audit of the organizations performed by the controller's office.

Commissioner Breed requested that, in the next few months that the controller's office conducts an audit of the organizations, and request that the Commission receive their most recent independent audit as well.

Mr. Cheu restated Commissioner Breed's request, for clarification purposes, that the controller perform a controller's audit on each of the funded agencies included within the letter agreement on a bi-annual basis, and that they receive a copy of the latest independent audit.

Commissioner Breed confirmed.

Commissioner Covington asked if there have been any discussions at the staff or CBO level about the language capabilities, and sharing people who are bi-or tri-lingual among the different organizations.

Mr. Cheu stated that there have not been specific discussions amongst the organizations but they have been working with a number of different CBO's to find out how they can increase their linkages. Mr. Cheu also stated that Rhonda Simmons of MOWFD has been working over the past two years to streamline the workforce development system to incorporate the one stops, and to ensure that all of those elements are lined up across the holistic system.

Commissioner Covington stated from the staff report that "Ella Hill Hutch Community Center is not included in this amended letter agreement at this time due to ongoing negotiations among agency staff, representatives from the MOEWD, and staff from the District 5 over the organizations budget and programming. Things are currently being reexamined in terms of programs and services that Ella Hill Hutch offers and that you would be coming before the Commission in the near future with proposed recommendations." Commissioner Covington asked whether there was a time frame for this back to the Commission.

Director Blackwell stated that he would like to bring this back to the Commission within the next 30 days due to a need of how to figure out how the workforce development needs in the Western Addition are going to be met in the near future. Director Blackwell also stated that it is important for the Commission to understand, in light of some of the comments that were made, that no more than six months ago Ella Hill Hutch was in a situation where they owed hundreds of thousands of dollars to the IRS, people were getting paid by the organization who were not employed by the organization, board members, and staff members complained about accusations of being physically intimidated and threatened, there were accusations of nepotism, accusations of people not getting employed through the contracting that was going on with this agency, accusations of inappropriate

behavior by staff in front of children, accusations of the hiring process of being incorrect, and stated that the comment about undermining an organization is hard to undermine an organization that already undermines itself in terms of the oversight programmatically, and the oversight of the public money that was being given to them for running those programs. Director Blackwell stated that staff will continue to make sure that the needs of the community are met, and that the city and the redevelopment agency has no desire to take over the organizations or run Ella Hill Hutch; the desire is for it to continue to be an independently run organization. Director Blackwell indicated that 30 days is ambitious to figure out how to meet the employment needs of the community but will continue to work hard to find a solution with all who are interested and with the stakeholders.

Commissioner Covington inquired as to how Ella Hill Hutch is currently notifying and referring the Western Addition community interested in getting a job to other organizations.

Director Blackwell stated that Ella Hill Hutch has set up employment related activities at West Bay, with other community based organizations that are providing employment services focused on the Western Addition, along with the Mayor's Office of Economic and Workforce Development who are in the midst of trying to develop a one stop employment center that would focus on the employment needs of that community. Director Blackwell stated that they are currently looking for a storefront type location that would be prominent on Fillmore Street, and have been in talks with Richard Szeto of the Fillmore Center; the location will not be located at West Bay.

Commissioner Covington asked if there was any signage at Ella Hill Hutch informing the community that they need to go to West Bay.

Director Blackwell stated that he would look into that and report back.

Commissioner Romero called the question.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 70-2008, BE ADOPTED.

- (d) Resolution No. 71-2008, Authorizing a Work Order Agreement with the Mayor's Office of Housing in an amount not to exceed \$100,000, for homeownership assistance activities; Citywide Tax Increment Housing Program

Presenter: David Sobel, Agency Staff

Speakers: Francisco DaCosta

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. SWIG, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 71-2008, BE ADOPTED.

- (e) Resolution No. 72-2008, Authorizing a Personal Services Contract with the San Francisco Housing Development Corporation, a California nonprofit public benefit corporation, in an amount not to exceed \$285,000, for homeowner assistance and housing development activities, Citywide Affordable Housing Program

Presenter: Vanessa Dandridge

Speakers: Regina Davis, Millard Larkin, Ace Washington, Espanola Jackson

Commissioner Cheu put forth a motion to adopt Item 4(e)

Commissioner Breed asked for clarification as to why, as stated in the staff presentation, that Bayview resident certificate holders receiving priority over Western Addition certificate holders, was not in the resolution or staff report.

Ms. Dandridge stated that the requirement is encapsulated in the Bayview Plan.

Mr. Blackwell stated that in avoiding from being sued in terms of fair housing laws by creating neighborhood preferences in the resolution, the notion of putting that stipulation in the resolution would be difficult to implement, and are trying to operationalize that requirement through agreements with the developers.

Commissioner Breed seconded the motion.

ADOPTION: IT WAS MOVED BY MS. CHEU, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 72-2008, BE ADOPTED.

5. **MATTERS NOT APPEARING ON AGENDA:** None

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

Francisco DaCosta, Espanola Jackson, Archbishop King, Daniel Landry, Minister Christopher Muhammad, Ace Washington

7. **REPORT OF THE PRESIDENT:**

- Reminder that on July 10th, 4pm in the Board of Supervisors Chambers, the Agency will be holding a special meeting devoted exclusively to the Western Addition, and encouraged members of the community and the public to attend

8. **REPORT OF THE EXECUTIVE DIRECTOR:** None

9. COMMISSIONERS' QUESTIONS AND MATTERS:

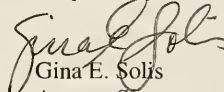
- Commissioner Romero suggested the President make periodic announcements throughout the meeting for those who were not in attendance at the beginning of President Covington's opening remarks to turn off their cell phones
- Commissioner Romero requested a staff report on the Robert's Rules of Order due to his concern on personal attacks to staff, and Commissioners, remarks directed at individuals by name, and believes those comments to be out of order, in combination with the cell phones ringing during the meeting, moving around the meeting room; it distracts from the decorum of the entire meeting.

10. CLOSED SESSION: None.

11. ADJOURNMENT:

It was moved by Commissioner King, seconded by Commissioner Singh, and unanimously carried that the meeting be adjourned at 6:40 p.m.

Respectfully submitted,


Gina E. Solis
Agency Secretary

ADOPTED:

JULY 15, 2008

**MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
10th DAY OF JULY 2008**

DOCUMENTS DEPT.

SEP - 8 2008

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a Special Meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Board of Supervisors Chamber, Room 250, in the City of San Francisco, California, at 4:00 p.m. on the 10th day of July 2008, at the place and date duly established for holding of such a meeting.

President Francee Covington called the meeting to order at 4:00 p.m.

Ms. Covington welcomed members of the public and radio listening audience and requested that all electronic devices including pagers and cellular telephones be turned off during the meeting. Ms. Covington asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Ms. Covington stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda. Ms. Covington stated that it was important to inform the audience that no disruption of the proceedings would be tolerated nor personal attacks on anyone present, that Members of the public were requested to stay within the designated public seating area behind the speaker's podium, members of the press were requested to film or record the commission meeting from the side area of the designated press seating area, and that the filming or video taping or recording equipment should not interfere at anytime with the publics view of, and participation in the meeting. Ms. Covington stated that these guidelines were in the spirit of promoting open and orderly public meetings, and stated that at the last regular meeting there was some consternation because people were not permitted to yield their time at the podium to other people, therefore, she requested the General Counsel, Jim Morales, to give the Commission a reading on whether or not it is appropriate as to practice and to law. Ms. Covington stated that copies of the memo were generated for the Commission with copies for the public in the entry way, and read an excerpt from the memo: "Recently, public speakers at Agency Commission meetings sought to "yield" portions of their unexpired public comment time to other speakers. At the request of President Covington, the Agency's Legal Division has prepared this memorandum to address the propriety of yielding time. Neither law nor policy requires the Commission to allow one public speaker to yield his or her time to another speaker. The Commission has the authority to limit each public speaker to speak once on each calendared item for up to three minutes."

Ms. Covington stated that, with the Agency's tenure in the Western Addition ending by law on January 1, 2009, the Special Meeting was an opportunity to report and discuss the Western Addition A-2 Redevelopment Project Area. Ms. Covington stated that this was the first time a large public meeting has been held at the sunset of one of the project areas, but the Western Addition will not be the only project area that sunsets, Yerba Buena Center as well as India Basin will be sun setting. Ms. Covington stated that staff and Commission members have been trying to work out a formula that would permit the Agency to look back, assess where the Agency is, and move forward. Ms. Covington stated that she appreciated the public's time and attention to the matters as Staff has been working vigorously on their presentation which, she indicated, is lengthy since the Agency has been in the Western Addition for 40 years, and there is a lot to say, a lot of territory to cover, and because the Agency has been in the Western Addition for 40 years, Ms. Covington stated that the public also has a great deal to tell the Agency, and is here to listen to their comments.

1. **RECOGNITION OF A QUORUM**

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Francee Covington, President
London Breed, Vice President
Linda Cheu arrived at 5:30
Leroy King
Ramon E. Romero
Darshan Singh
Rick Swig

Fred Blackwell, Executive Director, and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** No Reportable Action.

3. **MATTERS OF UNFINISHED BUSINESS.** None.

4. **MATTERS OF NEW BUSINESS:**

REGULAR AGENDA

(a) Workshop on the coordinated efforts on behalf of the Redevelopment Agency and other City Agencies on the transition of the Western Addition A-2 Redevelopment Project Area expiring in 2009

- Western Addition Historical Overview
- WA-A2 Redevelopment Plan Goals and Accomplishments
- Physical Elements and Streetscape
- Housing
- Zoning and Entitlements
- Economic Development
- Business Development
- Workforce Development
- Western Addition Citizens Advisory Committee
- Board of Supervisors Legislative Actions
- Certificate of Preference Program

Director Fred Blackwell started the meeting by describing the number of elements to the transition plan, and stated that the Agency's work in the Western Addition is unique because the Agency's jurisdiction in the neighborhood; in addition to being the entity that receives and distributes tax increment funding in the area, they also have land use and entitlement jurisdiction, have been responsible for a number of DPW responsibilities in the Western Addition, and have, on an ongoing basis, funded a number of programs focused on Economic and Workforce Development. With the transition plan speaking to many elements, Agency staff has been working with a number of different city departments in the spirit of collaboration who are present and will be talking on certain elements of the presentation. Mr. Blackwell stated that one of the things that was critically important was that the Commissioners gave them the direction to put the transition planning work in the proper context, but when it came to trying to set the proper context for 40 years of the Agency's work in the Western Addition, he stated that it was very difficult. Mr. Blackwell stated that staff produced a historical perspective of the Agency's work, what the A-2 Area looks like, what the goals and objectives were in the plan, and what the Agency has accomplished in the Western Addition A-2 Area. Mr. Blackwell pointed out that the Agency did not want to run from, or hide the fact that not all of the work has actually been work that people have been proud of, and in particular, the early days of the redevelopment agencies work. Mr. Blackwell stated that the city's work in the Western Addition, as it relates to redevelopment, has not been a happy story, and rather than try to depict that in words or bullets or a presentation in a powerpoint form, the best way to provide some of that context was to do it in the way of pictures and in the voices of some people who have struggled in the Western Addition, and have provided leadership on issues over the years. Mr. Blackwell stated that there have been a number of documentaries and stories told, one of those stories told is a documentary called "The Fillmore" which talks about the Fillmore neighborhood and the Western Addition in a very broad context, about peoples stories, and the history of the neighborhood, with significant elements speaking about the

neighborhoods relationship with the Redevelopment Agency. Mr. Blackwell stated that the video about to be shown are excerpts from the documentary which speaks to, and gives everyone a sense of the background and context with regard to the Agency's history in the neighborhood, and stated that there were many stories that were left out; there were Japanese and white families that were also affected, and stated that the story is hard to tell in a short period of time, that the excerpt attempts to tell a part of the story of what will be discussed throughout the Special Meeting of the Agency's transition from the Western Addition.

(Video Documentary)

Director Fred Blackwell, Past and Present overview of the Western Addition's Goals and Accomplishments

■ **Goals of the WA-A2 Plan**

- Provide a framework for restoration of economic and social health of the Project Area
- Guide & stimulate sound development for persons of varied incomes & ages
- Guide development toward the production of a satisfying and urban living and working environment
- Preserving and enhancing the unique social cultural and esthetic qualities of the City
- Stimulate and attract private investment to improve the City's economic health and expand the tax base

■ **Early Redevelopment Work in the Project Area**

- 277 Acre Project Area – 60 square block area
- Western Addition A-2 Redevelopment Plan October 13, 1964 to January 1, 2009
- Funded by HUD from 1966 to 1977
- Acquisitions and Dispositions
- Decade of Litigation and Disinvestment

■ **Total Acquisitions by Type of Transaction**

- 27% Eminent Domain
- 73% Non-Eminent Domain

■ **Eminent Domain Acquisitions by Entity Type**

- 83% Individuals
- 14% Private Entities
- 0.7% Financial Institutions
- 0.4% Other (Churches)

■ **Dispositions by Entity Type**

- 6% Public Agencies
- 4.9% Non-profits
- 50% Individuals

- 31% Private Entities
- 7% Churches
- 1% Other
- **WA-A2 Redevelopment Plan Accomplishments**
 - **Conditions of blight significantly addressed by the development of:**
 - Development of the four block Nihonmachi area
 - Creation of the Fillmore Jazz Preservation District (FJPD)
 - New Streetscape Improvements & Public Art
 - Creation of Community Benefits District
 - Funded CBOs for construction workforce training
 - Funded CBOs for technical support to potential FJPD businesses
 - Contributed to the development of Cultural Institutional facilities, public buildings, office and commercial buildings & the new State Office Building
 - Anticipation of creation of the Japantown CBD
- **Residential Housing Development**
 - Over 8,400 new housing units created, of which 3,320 units were affordable (39,5 %)
- **Economic Development Investment (1977 to 2008)**
 - Direct: \$ 51,662,890
 - Indirect: \$ 1,151,995,986
- **Workforce Development Impact**
 - Total: 7,389,880 hrs
 - WA residents: 1,725,510 hrs (= 23% of total hrs)
 - SF residents: 1,470,360 hrs (= 20% of total hrs)
 - Total local resident hire: 3,195,870 hrs (= 43% of total hrs)
- **Western Addition Citizens Advisory Committee overview by Reverend Arnold Townsend**
 - Historical Community Perspective
 - Western Addition Project Area Committee

(Verbatim)

“The community’s participation was never voluntary, they had no choice, it was pushed upon them, and they had to accept. I had hoped that I would be able to speak later in the program so I could sum up what had gone on before, that’s not to be, but let me say that we will be discussing at the next CAC meeting putting forward a proposal that we hold our own workshop so that we can get the communities view of what redevelopment has meant to us. Let me start out where the film left off, or maybe some things that were left out, because I can’t say all that I need to in the time that I have. First of all, you need to know that the statistics that calls this to be a blighted community, in many cases were manipulated statistics. Research that we did years ago showed that one of the things the city used to declare blighted was the TB

links, and they put headlines in the paper of what the percentage of folk were who had tuberculosis, and what they didn't say was that percentage was about the same as it was throughout the rest of the city. They took pictures to show the blighted area on trash day and then those days when the scavengers came to pick up your trash, they just threw the cans down, and when you got home from work you picked the cans up and took them in the back. Near the end of the film when they talk about the victory of WACO, what could have happened, and should have happened then is Justin Herman should have declared WACO the project area committee; he could have done that legally. In Bayview he designed an already existing organization, Joint Housing Committee as the PAC. But in the Western Addition, he didn't do that because he didn't like the leadership of WACO, and created WAPAC. The first thing the Agency did when they created WAPAC was they put together a Board of Directors of 70 plus members, now you can't get anything done with 70 plus members. When groups of developers came through and bid, if one developer won a narrow majority with 30 something votes, he had a close similar number of people against him or her. So there were more people going down who was against this developer that gave the agency the license to do what it wanted to do without considering the communities position. When someone asked him if he was going to say anything complimentary about the redevelopment process, I said I can't think of nothing, but I was wrong, I admit it, I apologize. The Redevelopment Agency was successful at one very important thing, and that was Negro removal. It was absolutely outstanding when it came to destroying not only a community but a way of life. You had people who had moved here from the south and I came here and got a job, the first I did was write a letter to my brother or my best friend that I went to school with and said I talked to the man and he's holding a job for you and he came out with his wife, lived with us until they found a place, we watched each other's kids and that's the kind of community that we had. When you build housing, I understand when you run those people out it's almost impossible to put them back, but the redevelopment agency didn't even try, they didn't try to rebuild the social structure that we had created on our own, and that's the saddest part, that is so painful to stand here and know that you're leaving, on one hand it's easy to say it's good your gone, on the other hand I have to admit that we failed. Whenever I'm complimented for standing up to the redevelopment agency I always tell folk, yeah, I may have but I wasn't very good at it because we still lost, we still failed, we got run out of town, and we got run out of town in an unbelievable way. So the board went from 74 people to 54. Now you see on the slides that Mr. Blackwell talked about, only 27% was eminent domain, but once eminent domain came in, the banks redlined, and you can look in the Chronicle and Examiner archives, and they came out years later, Wells Fargo and Bank of America apologized, they added it, now when they were doing it, I know two Mayors for a fact that I said personally to, we're being redlined; Diane Feinstein and Joe Alioto, and they assured us that they had talked to the bank Presidents and told them that there were not redlining our communities but they came out later and apologized for it. But what happened when you redline peoples homes, yes they're going to become dilapidated because they can't afford to fix it up and they have to sell and leave or they're going to loose their most important

investment that their family has. So when people start saying, yeah, well black folks sold those homes, they didn't have a choice, they had to sell them or let them crumble down around their ears, and for most of our family, your home is the only piece of capital that you really have. So we need to understand the meanness and mean spiritedness that occurred during this entire process. The rights that people had that you saw on the film, they got because they fought for them, not because the Agency knew. And just to show you that the Agency did know some things about social problems. When the Agency started they had social workers on staff, they had Gene Suttle, a tremendous agency staff person, strong community supporter, they made Gene Suttle started at the Agency as a social worker and worked his way up to being the Assistant Deputy Director. They knew there was going to be some social and physiological problems created and then the Agency made promises to our community and to paraphrase the late Dr. King, "you talk about a check marked insufficient funds", there's probably never been a check bounced higher in the United States of America than the check, then the promise that was given to this community to rebuild it for them. The fact that the matter, it was not rebuilt for us and the film was not clear, this was a thriving community, we may have had our problems but the people in business were not shutting down their businesses, they were making a living in those businesses, not only that, they hired people, there were countless number of folk who worked. Hopefully the Committee will agree that we need to have our own forum because there is so much that needs to be said and we just can't let you all get away with this. If I could say it more clearly, let me say this for the future. I think our tax increment funds need to stay in our community and not used to build affordable housing anywhere but in the Western Addition until we have some satisfaction that working class people can live in the neighborhood that they've been associated with, we don't have the money, we're not wealthy enough to be sharing what little else we have with the rest of the city and we love our city, secondly, you need to do something about the Agency's failure in rebuilding the black communities economic viability that we had before you came, you need to do something, leave money, leave a committee, whatever it takes, but you just can't run out after closing down all those businesses and run out when there's been 3, 4 or 5 created, you can't do that. You ought to do everything you can to keep that from happening, good thinking, and right thinking folk will not allow that to happen to us because if you don't care, it's pretty obvious that the rest of the city doesn't care. Finally, the Mayor, the Commission and the Director, and I'm being really honest, this is about the best Commission we've ever had a chance with and the best Director we've had a chance with for me ask you to do this. I think you need to get with the Mayor and hold a press conference and give an official and formal apology to the Western Addition and the black community for what you did to us. If it is right for the President of the United States, and we are rightly angry at him, for refusing to apologize, then it's right for you to apologize because I don't think you can move on right into other communities until you do because as a preacher, I read, where there is no repentance, there is no salvation, and you will only repeat the sins and errors of the past if you don't get it behind you."

Mr. Blackwell stated that one of the things that is unique about the Agency's tenure in the Western Addition is that the Agency resumed responsibilities that general different city departments would assume, one of those having to do with the infrastructure and maintenance issues of the Western Addition.

S.F. Redevelopment Agency/Department of Public Works Overview by Ed Reiskin, Director, DPW

- Fillmore Street Bridge
- Interlocking Pavers
- Pedestrian Lights
- Street Trees
- Streetscape Furniture
- Jazz District Banners

Context

- The Western Addition A-2 Redevelopment Project Area Sunsets January 2009
- At that time, the city assumes responsibility for aspects of the area's infrastructure
- The Department of Public Works, in consultation with the Public Utilities Commission, requires the improvements outlined herein to bring infrastructure up to a standard that the City can maintain.

Scope of Work

- Replacement of Pedestrian Lighting
- Repair of Blue Glass Art Installation
- Replacement of Trees, Expansion of Tree Basins, Repair of Sidewalks
- Annual Maintenance

Mr. Blackwell stated that the agency shares ownership with two entities, and will need to explore obtains to future ownership and maintenance of the Gene Suttle Plaza.

Economic and Business Deve. – Ongoing Economic Development Activities Overview by Stephen Maduli-Williams, SFRA and Adrienne Pon, MOCI

- Fillmore Jazz Preservation Revolving Loan Repayments
- Development Project Loan Repayments
- SFRA – identify and redirect funding
- MOU between the SFRA and MOCDC
 - Fillmore Jazz Preservation District Revolving Loan Fund ("RLF")
 - Development Projects Loan Repayments
- Community Benefits Fund Grant Program

Western Addition Neighborhood Workforce Center Overview by Rhonda Simmons, Director, Mayor's Office of Workforce

- The Western Addition Neighborhood Workforce Center will serve as an entry point to San Francisco's workforce system, providing access to a broad continuum of employment and training opportunities through a coordinated and seamless service delivery structure.
- The NWC will deliver high-quality services specifically designed to meet the workforce development needs of community residents and employers.

- In its first year of operation, the NWC will serve 800 Western Addition residents, providing not only job training and placement but also access to supportive services (such as transportation, healthcare, childcare, etc).

Customers of the WA NWC will have access to:

- A staffed career resource center
- A continuum of job readiness services customized to community needs
- Access to supportive services
- Connection to education and vocational training
- Job matching and placement services

Services at the Neighborhood Workforce Centers will include:

- Vocational Assessment Services
- Job Readiness Training
- Career Counseling and Case Management
- Referral to Education and Vocational Training
- Job Placement and Retention
- Job Development and Business Services

Mr. Blackwell stated that the Agency has been primarily responsible for the entitlement and zoning process in the A2, and the A2 plan carries within it the land use and zoning requirements for the neighborhood; underneath the zoning set forth in the A2 plan is the planning code which is the responsibility of the Dept. of City Planning. Mr. Blackwell indicated that Agency staff has been working with planning staff on the entitlement process, and what to do with the conflicting zoning in looking at the A2 Plan versus what is underlying the plan, and conforming to the code. Mr. Blackwell stated that Mr. John Rahaim, Director of the Department of City Planning will give an overview of their role and plan in the transitioning of the Western Addition to the Department of City Planning as outlined below.

Planning Overview by John Rahaim, Director of the Dept. of City Planning, and Tom Evans, Lead Planner, SFRA

- Existing Projects
 - Comparison of A-2 Plan and Planning Code
- Projects Under Review
 - SFRA to Consider in 2008
 - Transitional Project Entitlement Procedure
- Major Project Applications July – December
 - Early referred to Planning Department
 - Approval in 2009

Existing Buildings and Parcels

- In 2009 Zoning Returns to the SF Planning Code
- Permit Approvals by Planning Department
- 16 Zoning Categories
- Inclusionary Housing Rules Apply

Projects Currently Under Review

- Projects Submitted to SFRA To Date
 - Commission to consider in 2008
 - Interim Project Entitlement Agreement
 - SFRA Planning Staff to cooperatively administer permits

New Project Applications

- Major Projects (CEQA/Community Review)
 - To be referred to Planning Department
 - Review under Planning Code
 - Planning Commission to consider in 2009

Housing and Certificate of Preference Overview, Olson Lee, Housing Deputy Director, SFRA

- Housing developed in WA-A2
- Housing in progress
- Housing transition
- Plan Amendment for additional tax increment to fund affordable housing
- Certificate of Preference Program

Housing Developed in WA-A2

- Total constructed/rehabilitated: 8,400

Housing Demolished in WA-A2

- Housing units lost: 3,216
- Affordable units built: 3,320
- Net affordable units built: +104
- Net affordable units built
- All project areas: -6,709

Affordable Housing Completed in WA-A2

- Pre and Post-1990 Tax Increment Funding
- Pre-1990: SFRA land assembly and disposition through LDAs and OPAs.
- Affordable project sponsors sought HUD funding for rental housing with Section 8 rental assistance and mortgage insurance.
- Certain market rate rental project sponsors sought tax exempt financing issued by SFRA.
- Post-1990: SFRA uses tax Increment loans and grants and land leases.
- Affordable project sponsors seek tax credit equity and State of California funding for rental housing.
- Certain market rate rental project sponsors sought utilized tax exempt financing issued by SFRA.

Developments in Progress

- **1345 Turk Street**
 - 32 units of affordable first time homeownership housing
 - In predevelopment phase – construction funding request in FY 08/09

- **Martin Luther King – Marcus Garvey Cooperative Apartments**
 - 211 existing units of cooperative homeownership housing
 - Needs substantial rehab
 - Will remain an affordable cooperative
 - Construction funding request in FY 08-09
- **Mary Helen Rogers Senior Community (Central Freeway Parcel C)**
 - 100 units of affordable senior rental housing
 - Includes 20 units set aside for formerly homeless seniors
 - Project fully designed
 - Will seek new development team through an RFP
 - Construction funding request in 2009
- **Central Freeway Parcel G**
 - 120 units of supportive housing for formerly homeless
 - Includes ground floor retail
 - In predevelopment phase
 - Construction to start Fall 2009
- **Kaiser**
 - 2139 O'Farrell Street
 - Replacement housing obligation based upon an Owner Participation Agreement.
 - 21- low and moderate income rental units.
- **Nihonmachi Terrace**
 - 1615 Sutter Street
 - Rehabilitation of existing low and moderate income rental buildings
 - SFRA to issue tax-exempt multifamily bonds
 - Rosa Parks
 - New construction of senior housing on existing parcel
 - Funding by MOH
 - Entitlements by DCP
- **Affordability Requirements**
 - For Pre-1990, in LDA or OPA. Affordability requirements are also contained in the HUD financing.
 - For Post-1990, in loan/regulatory agreement and/or land lease.
 - Preservation Program increased the term of affordability of pre-1990 projects.
- **Transition of Affordable Developments and Units**
 - For-sale units: All units will be repurchased and sold as affordable ownership units using the limited equity model.
 - Rental units (mixed financing): Remain affordable as long as restrictions remain in place.
 - Rental units (affordable): Post-1990 units will remain affordable for at least 50 years.

■ **SB2113 History**

- Senate Bill (SB) 2113 authored by Senator John Burton was adopted by the California State Legislature in 2000.
- Allows only SF to finance affordable housing units lost prior to 1976, the year the replacement housing obligation was created in the Health and Safety Code.
- Based upon SFRA research and as accepted by the State of CA, 6,709 units were destroyed and not replaced with affordable housing.

■ **WA-A2 Plan**

- Expires on January 1, 2009.
- Tax increment financing limit capacity of \$270 million has been reached.

■ **WA-A2 Plan Amendment**

- Permits SFRA to continue to collect tax increment from the Project Area solely for the purpose of replacing lost affordable housing anywhere in the City and County of San Francisco and related administrative purposes.
- Certificate of Preference Program participation is required of all developments funded with SB2113 funds.
- If the A-2 Plan Amendment is not approved, the SFRA loses all future tax increment from WA-A2.

■ **Certificate of Preference Program - Status of WA-A2 Residential A Certificates**

- Issued: 4,729
- Exercised: 1,099
- Cancelled: 488
- No Address: 2,942
- Active: 254

■ **Summary of Certification of Preference Improvements**

- Extend term of program
- Expand program eligibility
- Establish down payment assistance pool
- Expand preferences to Residential C for rental or ownership
- Clarify appeals
- Improved Program Administration

■ **Term of Program**

- Certificate is valid until 2 years after expiration of project area from which displacement occurred
- WA-A2: Expires in Jan. 1, 2009
- Certificates can be used until Jan. 1, 2011
- Extended the validity of Certificates for an additional fifteen years after the expiration, so expiration would occur 17 years after the Plan.

■ **Possible Effects**

- Would allow the certificate holders time to take advantage of proposed changes for newly developed housing.
- Consistent with state law giving local agencies the right to develop reasonable program rules to give preferences to those displaced.
- Program Eligibility
- Originally to head of household based upon Site Occupant Records
- ("SORs") listing every occupant in original displaced household
- Modified in 1998 to include all individuals identified on SOR.
- Expanded eligibility to individuals who were a part of the displaced household but not listed on the SOR.
- Consistent with state law which limits the establishment of preference to those displaced.
- Would increase the number of persons potentially eligible for Residential C certificate.

■ **Establish Down Payment Assistance**

- No additional financial subsidy is attached to certificate beyond assistance provided to project, if any.
- Established a down payment assistance pool of \$4M for Certificate Holders to be used with Limited Equity Program for deeper affordability

■ **Certificate of Preference Home Buyer Assistance Program**

- Eligibility guidelines
- Second Loan Program
- Individual Development Account (IDA) match

■ **Home Buyer Assistance**

Eligibility

- Certificate of Preference Holders
 - Certificate Holders displaced from WA-A2 for initial
 - 5-year period, then open to all Certificate Holders
- First Time Home Buyers
- CDBG Income limits
 - Approximately 96% of AMI cap
 - \$90,500 four people (2008); \$63,350 single person

■ **Home Buyer Assistance**

Second Loan Program

- Maximum: \$100,000 or 50% of purchase price
- "Silent Second"
- 45-year term or upon sale or transfer
- Interest: Share of appreciation
- 5% Down payment; 3% own funds or match funds

■ **Home Buyer Assistance**

IDA Match

- Up to \$400,000 total
- Up to 2.5% of purchase price or \$5,000
- Engage early, incentives participation, provide important match dollars
- Collaborate with non-profit administrator

■ **Possible Effects**

- Would increase number of Certificate Holders who would be eligible to become first-time homeowners.
- Would enable SFRA to serve lower income households from 80% to 65% of median income.

■ **Expand Preferences to Residential C for Rental or Ownership**

- For all Certificate Holders a certificate is exercised upon success in leasing a rental, purchase of a cooperative share, or purchase of an SFRA assisted home.
- If Residential A exercised certificate then Residential C would not have additional preferential rights.
- Allow Residential C Certificate Holders to have preferential consideration regardless of whether Residential A was exercised.

■ **Possible Effects**

- Would increase the number of Residential C Certificates who would be able to claim a preference for rental or ownership.
- WA Residential A certificate holder's previously exercised 1,099 certificates.

■ **Clarify Appeals Process**

- The Certificate Program has a review and appeals procedure.
- Staff proposes to clarify the timing and strengthen the appellate procedures
- Staff intends to use independent and experienced hearing officers to review the denial of a certificate of preference.

■ **Possible Effects**

- Program was administered part-time by staff also responsible for home resales
- Program has one staff person responsible for eligibility research and will have one staff person responsible for housing search.
- This change would ensure that the applicant obtains an impartial hearing of their claim outside of the SFRA

■ **Program Administration**

- Program was administered part-time by staff also responsible for home resales.
- Program has one staff person responsible for eligibility research and will have one staff person responsible for housing search.

Supervisor Ross Mirkarimi (verbatim)

"We are seeing something that the City and County of San Francisco has never seen or experienced before, and that is the rein of the Redevelopment Agency era coming to an end, and so is the experiment of redevelopment and urban renewal in the Fillmore, Western Addition, Japantown, A-1, A-2 area. I thought it was interesting that earlier a reference was made by a CAC Chair, Rev. Arnold Townsend about an apology being provided by the City for what has occurred. I think it's fitting that an apology be made, but to me what will be more meaningful with that apology, if what is attached with that is greater access to fiscal capital for the people of the A2 and A1 area, and the reason I say that is when we reflect on what has occurred over the last 40 plus years in the Western Addition and in the Fillmore/Japantown area. It is starved, what was once a very robust and thriving community that was more than clear of why I had to push very hard for the first hearing ever in the history of the Redevelopment Agency or here in City Hall, just to make sense out of the Certificate of Preference Program. The fact that there is no record of any kind of reconciliation about delivering on the original promise which was well laid out by Mr. Lee, and I believe there is a strong and faithful intention by the Agency to correct its wrongs of the past. The fact is that if we were really to make good of the promise of repopulating or sustaining populations of the African American past population, then the certificate of preference program is really that most tangible lifeline that we could be accessing and maximizing quite a bit. There is something very telling with the fact that when over a 25 year period that nearly 5,000 certificates were issued to families and that maybe at best, only about 20% – 24% of those were ever really redeemed, shows the failure of the City and County of San Francisco with the Redevelopment Agency which is a quasi state institution which a lot of people still don't understand, we have a lot of catching up to do.

When I hear about the statistics that were kept about the workforce efforts that were made by redevelopment to supply jobs on the backs of the great development in the Western Addition A-1 and A-2 area that it provided for 23% jobs employment for residents in the Western Addition, 43% citywide. The data that we were able to procure showed that there was no career track, there was no life long trajectory or livability of wages beyond the seasonal employment of construction that showed that there would be any long term viability and retention of people in that community. Subsequent to that, last year we had to push for it and I'm glad of how the city's rallied around the idea of why the city has to radically reform its workforce laws. This is legislation that I am proud to have authored, and yet with the cooperation of Redevelopment and other agencies in the Mayor's office realizing the fact that we've been squandering \$50 – \$70M a year towards ten different agencies within the city government, and seeing very little for the fruits of our investments, especially in an area like the Western Addition in the Fillmore/Japantown area where in the most impoverished or disadvantaged communities, we are not putting our people to work, and we are not giving them a level of skill training so that they are on a career track that I think they should have. Why I think that ties into what may have not worked in the past and how this transitions in terms of some obligation as to where we go from here, this is why I feel like this exercise needs to not mute the outrage that I think has been felt over the 40 years or several generations about what's gone, but that we legislate the kind of outcomes that make it better. And the reason why I look forward to what those elements are in the legislation, there are aspects and features of those elements that I haven't heard reported yet that I would like to add. For example, I agree that tax increment needs to remain in the Western Addition,

especially for all unfinished projects. Next, there is no discussion whatsoever about market business viability economics in the A-1 and A-2 area. A study should be placed; there has never been a study for this area, no land use study, no economic study; what is the transition that has occurred for the last 40 years and what is to occur for the next 25 years in this particular area? I like us just not to talk about the fact that we're trying to find a system that redeems old certificate of preferences for 883 businesses that were displaced during the time of urban renewal. Certificate of Preferences were given to those businesses as well, many of them were black owned and Japanese businesses at those times, and very few of those have been redeemed.

In terms of market viability of what we've seen over the quarter of the Fillmore, what concerns me is that while there has been some attempt at replenishing, I think the economic sustainability in the area was done with a rash of chain stores and franchises that, while at the time it seemed like the best idea, even the most minimal expectations like hiring people from the Western Addition was not satisfied and fulfilled. In light of that I still hold back to this particular moment that if we want to replenish mom and pop black owned minority owned businesses, we should provide a framework that speaks towards that which none of that has been spoken of.

Next is that a great patch work of housing such as flat roof housing which was normal during the time of the 1960's and 70's of architecture that was routine for that era, is something that is going to have some blowback in the near future. I'm concerned about the water damage, about the kind of disrepair that is going to occur over the next 10 to 30 years, of all the kind of housing, both mixed use or any kind of low income housing that the city is ill prepared for in order to anticipate and accommodate what is going to be a huge fiscal burden of trying to repair the housing before it gets any worse. I do not believe the Department of Building Inspection is prepared for what is a comprehensive inspection of the stage and status of where this housing is at, and I think we're going to have to be mindful of what it's going to take for the rehabilitation and reinvestment.

Next, when we talk about the housing that does exist in the Western Addition A-1 and A-2 area, I'd like us to believe that we can actually set the seeds for maybe some home ownership. There was a good program, and it was one that the Feds did project and market well which had been abandoned both by the Feds, as well as by the State and City, and that was Cooperative Housing. There have been examples of good cooperative housing such as St. Francis Co-op and there have been examples of cooperative housing that did not work, but it always let working class families, and those who are striving for the middle class spot to also get their foothold in. I think if there was some ability to also pave the way for any market study or market viability, that it would be nice to also project some ability for those kind of existing tenant based housing structures if they would also like to transition into what is a modern form of housing cooperative for either limited equity ownership or community land trust. This is the level of vision and this is the level of transition that I would like to see built into this discussion that speaks for, and recognizes the pain and suffering, and the dashed hopes of the past and perhaps even with things that have occurred in the last few years where we now see the Fillmore become a cultural destination thanks to Rosales, Sheba, 1300, Yoshi's, and other businesses there where we see transition. In Japantown where there's a great amount of uncertainty but a great amount of community driven process to make sure that what becomes of Japantown is the one that the community wants, and this is why I think about the Fillmore and the

Western Addition A-2, so that it teaches what is now to become the lessons for the Bayview, that the A-2 is not a harbinger of what is to happen to the Bayview, and that the mistakes that were made as a laboratory which has gone really wrong in the last 40 plus years is something that we want to make sure that our people, and I'm not trying to say this in a demeaning way, but the governance in the yolk of the Redevelopment Agency is now repeating the same kind of experience that it had occurred in the era of urban renewal in itself, we don't want that to happen, we only want the best to happen no matter what the outcome. But I'm very concerned and apprehensive because of the splintered structural difference in our governance structure because we don't have the kind of say from this chamber on redevelopment level projects as much as I wish we had, yet I try to be hopeful. And recognizing that some of the great things that have occurred lately in the redevelopment area, I still want a citizen driven process that transitions properly, that means that after January, 2009, I think it's important to retain the Citizens Advisory Committee if it elects to do so, retain the Citizens Advisory Committee of the Western Addition of the Fillmore/Japantown area. I think we have to have a watchdog agency in place that helps make sure that some of these promises are fulfilled and that what we're doing to pave the way so hopefully other areas of San Francisco do not experience.

Lastly, and I know this has been mentioned before, it's not a bad idea to rename Justin Herman Plaza, and I think that in recognition of what had occurred, and what people thought was a good idea way back when considering the consequences and legacy of what we had to live with, I don't think we're telling the whole story as to what occurred in the history to what has lead to this particular point, and even though I think this is well told in this particular chamber here with the well attended audience, it is not well understood citywide and I think its our responsibility to explain that thoroughly and honestly."

Board of Supervisors Legislative Timeline

■ Legislative Action

- Encroachment permit, including tree removal and replacement

■ Resolution(s) Memorializing the Inter-Agency Agreements between:

- SFRA and MOCD
- SFRA and DCP
- SFRA and DPW
- SFRA and MOEWD
- SFRA and PUC

■ Next Steps

- Future Commission Adoptions
- Board of Supervisors Legislative Actions
- Development of Muni Substation
- Disposition of Public Parking Garage
- Disposition of Parcel 732-B
- Creation of Community Benefits District (Japantown)
- Gene Suttle Plaza (Exploration of Options)
- Historic Report

Mr. Blackwell stated that the last and most significant piece of land that the Agency still owns is the Muni substation, they went through an RFP process at the end of last year in which there were two respondents and neither one of them were taken forward for a positive recommendation for development. Mr. Blackwell stated that there were three options; (1) re-release an RFP; (2) reconvey the land back to where they got it from for them to develop it; and, (3) the Agency develop it. Mr. Blackwell indicated that staff is going through those options to bring forward a recommendation within the next two meetings of the Commission, and stated that staff is not interested in leaving that as unfinished business, but very anxious to come up with a solution that works. Mr. Blackwell indicated that one of the requirements when the property was conveyed to the City was that there be some type of art and cultural use, and also taking into account that there needs to be something that meets the needs of the young people in the Western Addition.

Ms. Covington stated that the last slide showed the list of stakeholders and participants, the Commission should be listed as the SFRA team members, and expressed that she would like to especially thank fellow Commissioner London Breed for participating in a number of meetings concerning the transition.

Speakers: Netsanet Aleonatelu, Asha Bahat, Gloria Burell, Leontine Collins, Majaid Crawford, Julian Davis, Sheryl Davis, Erica Green, Erris Edgerly, Randall Evans, Dario Harper, Khadijah Jacob, Archbishop King, Daniel Landry, Raymond Martin, Emmit Powell, Mario Rogers, Agonafer Shiferaw, Howard Smith, Tony Taylor, Rosalyn Tonai, Floyd Trammell, Arelious Walker, Ace Washington, Bobbie Webb

Commissioner Singh thanked Supervisor Mirkarimi for attending and participating in the meeting. Commissioner Singh inquired as to how old the list of certificate of preference holders was and what is the process in locating certificate holders.

Mr. Lee, Agency staff, stated that the list was from 2007 and the numbers were before any of the changes to the program had been implemented. Mr. Lee stated that the SRO cards are being computerized to make the search easier for the residential search of Certificate A holders, which process has already begun. Upon completion of this process, a data base would be created to begin the search for the individual Residential A Certificate Holders through community based organizations. The list of certificate holders will be updated on an annual basis on their progress or when the Commission requests. Mr. Lee stated that additional Certificate of Preference Holders are being issued as people inquire about whether they are eligible which is being reviewed by Adrienne Anderson, Agency staff. The point of the research project is to improve record keeping in terms of the number of people for whom they have addresses to identify, whether they are deceased or not, and then proceed with the search of Residential C certificate holders and expand the number of certificate holders.

Mr. Blackwell stated that since staff has been added and stepped on their work with community partners such as San Francisco Housing Development Corporation, and have issued in the last six to eight months more certificates than have been issued in the last five years. The rate of which they are now receiving inquiries and responding to those inquiries has increased expedientially.

Ms. Breed commented on how a lot of people are still confused about what the transition means, she has been working diligently on a number of program improvements from the Agency's standpoint because she also cannot afford to purchase property because she does not fit into any of the categories that are established. Ms. Breed stated that she is not sure if it has been made clear that the Agency passed a resolution extending the certificate holders to grandchildren, added down payment assistance, have not removed any monies from Ella Hill Hutch Community Center, and are diligently working with Ella Hill to ensure a smooth transition. Ms. Breed stated that she was confused by some of the comments made by the speakers, and pointed out that some speakers have received financial assistance through the revolving loan program, and other services provided by the Agency. Ms. Breed stated that the Commissioners, including herself, spend countless hours on phone conversations, meeting with people, making herself available, and if one time she does not return a phone call, she's on public comment. Ms. Breed stated that her point was that she is not there to defend Redevelopment, she is a Commissioner, it is not who she is, it is what she does, and serves the City with a lot of pride, is from the same community and grew up with the same conditions. Ms. Breed indicated that she does not take any of the attacks and comments said personally because she realizes that unfortunately, Redevelopment is an institution in the Western Addition that is like a plague that has completely destroyed the community, and now when it is time for Redevelopment to leave, she does not understand why people are not excited about the fact that Redevelopment will be gone because, she is. She does not necessarily believe, at this point, that Redevelopment can have a significant impact on making the Western Addition better, and believes what can make significant impact are the types of programs that she, Ella Hill Hutch, and other organizations offers. Ms. Breed stated that half the community has been devastated by a lot of the violence, which is not completely Redevelopments fault, and stated that it has to do with the lack of fathers and other people who have not been responsible to their children. Ms. Breed stated that she wanted to make it clear that she is frustrated with the lottery system, with the fact that it has been very difficult for African American businesses to continue in the Western Addition, frustrated with the whole process of Redevelopment, and because as a Commissioner, she is in the midst of it trying to juggle and deal with the matters along with the other Commissioners to make things better for the Community but often times, and she stated, not every time, nothing is ever good enough, and as far as she is concerned, she is doing the best job that she can, and will continue to work hard for a lot of people. Ms. Breed indicated that Redevelopment is not the sole problem in the Western Addition, it is part of the problem, and believes that Director Blackwell has been working very

hard going above and beyond in dealing with the issues, and she has always made herself available to members of the public but will not continue to do so if she continues to be disrespected. Ms. Breed stated that she believes it is historic that the Redevelopment Agency has not only added grandchildren who were not even born during the time to the pot of Certificate Holders which could increase the number of African Americans that return to San Francisco, but have also included down payment assistance. Ms. Breed stated the down payment assistance is not enough to undue the extreme injustices of the past, but a start. Ms. Breed stated that it is important, as Commissioners, and as they move into other areas and transition out of the Western Addition, that they continue to be responsible, they cannot be responsible to everyone, cannot please everyone, but stated when she makes a decision as a Commissioner, it is because she cares about the community that she's from and will make sure that whatever decisions she makes, she can live with it. In conclusion, Ms. Breed thanked everyone for coming out, and believes some of the comments she heard were eye opening because there were some comments said that she did not think about, including an apology which she agrees with and other things that she will take with her in trying to figure out ways to implement some of the suggestions from the audience. Ms. Breed stated that she is hopeful that, based on some of the comments made, that it can be communicated to the public that they have made necessary steps in the right direction and will continue to push for that.

Ms. Covington thanked staff who spoke at the podium, and acknowledged Gaynell Armstrong-McCurn and Andrea Baker for working diligently on putting the presentation together.

- (b) Resolution No. 73-2008, Approving an extension of tax increment authority under the Redevelopment Plan for the Western Addition A-2 Redevelopment Project to provide affordable housing funding pursuant to Sections 33333.7 (Senate Bill No. 2113) and 33333.8 of the Community Redevelopment Law and authorizing transmittal thereof to the Board of Supervisors of the City and County of San Francisco; Western Addition A-2 Redevelopment Project Area

Presenter: Olson Lee, Agency Staff

Speakers: Arnold Townsend; Leontine Collins

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 73-2008, BE ADOPTED.

Ms. Breed asked Mr. Blackwell to explain what it would mean in terms of not approving this item.

Mr. Blackwell stated that he wanted to clarify that if the resolution were to be voted down it would mean that the tax increment goes to the general fund, and clarified, in terms of the maximum extent feasible, earmark the tax increment that comes from the Western Addition, for the Western Addition. Mr.

Blackwell indicated that he also wanted to make it clear that the development opportunities in the Western Addition are not abundant at this time, and there are not many opportunities for housing investment. Mr. Blackwell stated there were two pieces to this, where housing gets developed, and who benefits. From who benefits perspective, the changes to the Certificate of Preference Program make it highly likely that people from the Western Addition will be able to benefit from additional affordable housing investment regardless of the where it is in the City.

Ms. Breed asked if, since the projects for affordable housing are going to be receiving citywide tax increment funding to be built, will the new development, in terms of making it available in the best case possible to the Western Addition, be redundant.

Mr. Blackwell stated that it would be somewhat redundant due to the fact that the Western Addition community already has access to the citywide housing fund and there are project areas they are drawing from and contributing to the citywide fund that they can invest in the Western Addition as well.

- (c) Resolution No. 74-2008, Authorizing a Fillmore Jazz Preservation District Community Benefits Fund Grant Program for the issuance of single grants in an amount not to exceed \$15,000, for a total aggregate amount not to exceed \$360,000; Western Addition Redevelopment Project Area A-2.

Presenter: Gaynell Armstrong-McCurn, Agency Staff

Speakers: Majeed Crawford, Randall Evans, Andre Rogers, Ace Washington, Eris Edgerly, Erica Green

Ms. Breed stated that when she first came on the Commission she made a recommendation to send this item to the CAC and had anticipated a recommendation as to how the funds would be distributed, it has been three years and they are upon a deadline with the Western Addition, her concern was that the monies would not be given to the community that would best serve the community. Ms. Breed indicated that she will be asking that the Commission not vote to support the next item, but in this particular item, the Executive Director has the discretion to work with an entity, if the item is approved, to distribute the funds. Ms. Breed stated that there have been talks with Urban Solutions and understands that there have been expense issues but believes that can be worked out but should be left up to the Executive Director. Ms. Breed stated that in developing the plan, after speaking to various community and business owners, grant opportunities were a better way in opening businesses, and suggested that, in the public's best interest as it relates to the Jazz District, she asked that there be an amendment to the resolution from \$15,000 to \$25,000, and allow the Executive Director and staff to work out the details with the distributor or organization that would distribute the funds and work with the community and ask that the Executive Director to work with an organization that has the relationship with the community. Ms. Breed stated that there were good recommendations as it

relates to suggestions to the grant program, and would like the Executive Director to take into consideration some of the community recommendations in terms of members of the committee, as long as it doesn't change the essence of the item. Ms. Breed made a motion to move the item with a recommendation to amend the amount from \$15,000 to \$25,000.

Mr. Swig asked for clarification on the original resolution and the substitute resolution, if the difference was No. 8 in the resolution – authorizing the execution of a Personal Services Contract with Renaissance Entrepreneurship Center, where the substitute resolution suggests that it will authorize an execution of a Personal Services Contract with a Consultant to provide outreach. Mr. Swig stated that he wanted to make it clear that they are voting on the substitute resolution as opposed to one that specifies Renaissance.

Ms. Covington confirmed that they were voting on the substitute resolution and asked Ms. Breed to state her motion.

Ms. Breed stated that the motion was to approve the substitute resolution and amend the amount of not to exceed \$15,000 to \$25,000.

Mr. Swig seconded the motion to support Commissioner Breed's recommendation to amend the amount to \$25,000 because it will set participants up for more success, and based on the recommendation verbally read during public comment from the seven bullet points, based on the pain and suffering that had occurred in the Western Addition over the last 40 years, Commissioner Swig recommended that the following be added to the resolution because it is heartfelt, goes to the point of what the Agency is trying to achieve, and doesn't change the resolution significantly: "Purpose of the grant should also include expanding business and employment opportunities for communities historically disenfranchised by the Redevelopment Agency; and, Business and Employment opportunities that reduce the income disparities that exist in the A-2 area, particularly in government housing complexes. Commissioner Swig stated that he seconded the motion to adopt item 4(c) with those additions.

Commissioner Covington stated that she was making a friendly amendment to amendment to make sure nonprofit organizations are included. Ms. Covington directed that the Executive Director and staff to work out the details of the organization that will distribute the funds, and work with the community to distribute the funds that has a relationship with the community, and asked that the Executive Director take into consideration some of the community recommendations in terms of members of the committee, as long as it does not change the essence of this particular item overall.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SWIG, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 74-2008, BE ADOPTED AS AMENDED.

- (d) Resolution No. 75-2008, Authorizing a personal services contract with Renaissance Entrepreneurship Center, a California nonprofit public benefit corporation, in an amount not to exceed \$90,000 to provide outreach, workshop training, and technical assistance related to the Fillmore Jazz Preservation District Community Benefits Fund Grant Program.

Mr. Blackwell stated that the last action on the last item nullifies the resolution.

Commissioner Breed put forth a motion to table item 4(d)

Commissioner Covington made a point of clarification that since the Commission voted on the motion presented by Commissioner Breed on item (c), which left the ultimate decision for the consultant in the hands of the Executive, which left this particular item null and void.

Speakers: Erica Green, Ace Washington

TABLED: IT WAS MOVED BY MS. BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 74-2008, BE TABLED.

5. **MATTERS NOT APPEARING ON AGENDA:** None
6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

Speakers: Ace Washington, Leontine Collins

7. **REPORT OF THE PRESIDENT:**

Stated that it was an important meeting of the transition from the Western Addition which is a matter that has concerned the Commission and staff, and will consume their time and energy for some time, and will continue to do so for at least the next six months. Aware of some of the comments from people who did speak about there still being a lot of confusion in their minds as to what this really means. Would like the Director and staff to come up with a way to make things clearer for people, the powerpoint presentation is an excellent start, and distribute it to people so they are aware of what it means. The resources that are available are KPOO and municipal television station and should have some information based PSA's to also let people know about the new grant opportunities that will be available. Thanked her fellow Commissioners for their time and attention to the matters.

8. REPORT OF THE EXECUTIVE DIRECTOR:

- Will be make every effort much more clear in the communication about what is going on and more frequent in that communication and use a variety of venues
- Thanked staff at the redevelopment agency that put a lot of time into the presentation on the transition plan and thanked members of the city family who have worked cooperatively with the agency staff on many elements of what was presented.
- Notice of intent to issue a Request for Proposals for the development of 100 units of affordable senior rental housing units at 701 Golden Gate Avenue, Central Freeway Parcel C; Western Addition Redevelopment Project Area A-2


9. COMMISSIONERS' QUESTIONS AND MATTERS:

10. CLOSED SESSION: None.

11. ADJOURNMENT:

It was moved by Commissioner Breed, seconded by Commissioner Cheu, and unanimously carried that the meeting be adjourned at 8:05 p.m.

Respectfully submitted,


Gina E. Sofis
Agency Secretary

ADOPTED:

August 5, 2008

**MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
15th DAY OF JULY 2008**

DOCUMENTS DEPT

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 15TH day of July 2008, at the place and date duly established for holding of such a meeting.

President Francee Covington called the meeting to order at 4:00 p.m.

Ms. Covington welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Ms. Covington asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Ms. Covington stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Francee Covington, President
London Breed, Vice President
Leroy King
Ramon E. Romero
Darshan Singh
Rick Swig

The following Commissioners were absent:

Linda Cheu

Fred Blackwell, Executive Director, and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. No Reportable Action.

3. MATTERS OF UNFINISHED BUSINESS.

CONTINUED FROM COMMISSION MEETING OF MAY 20, 2008

- (a) Granting relief from density, parking and off-street loading area standards as variances from the Western Addition A-2 Redevelopment Plan and as a reasonable accommodation pursuant to fair housing law; conditionally approving the schematic design; adopting the revised Preliminary Mitigated Negative Declaration, the Mitigation Monitoring and Reporting Program; and making findings pursuant to the California Environmental Quality Act, for 120 units of very low-income supportive housing and approximately 3,846 square feet of retail space, sponsored by Community Housing Partnership, a California public benefit corporation, and Mercy Housing California, a California public benefit corporation, on Central Freeway Parcel G, Assessor's Block 792, Lot 85, southeast corner of Fulton and Gough Streets; Western Addition Redevelopment Project Area A-2 (Resolution No. 49-2008)

Presenter: Erin Carson, Agency Staff

Speakers: Adam Milliard Ball, Peter Bascle, Bob Bennett, Marisa Binder, Carl Bloice, Vanessa Brown, Deborah Cholsty, Steve Crabel, Tim Colen, Loretta Colvin, Jay Alan Davis, Nico De Ruij, Patt Denning, Kristina Dihen, Akilh Dunn, Stu During, Lisa Dyas, Gus Elliott, Randall Evans, David Fariell, Barbara Farrell, Alison Frazzini, Earl Gadsden, Gail Gilman, Jane Graf, Douglas Hand, Stefan Hastrup, Richard Heasley, Jason Henderson, Michelle Hildebrand, Dina Hilliard, Kenneth Humphrey, Espanola Jackson, Scott Keeling, Lawrence Klein, Jeff Kositsky, Julie Leadbetter, Robin Levitt, Leannie Little, James McDougale, Kelly McNeil, Mark Melanson, Matt Miller, April Mixon, Lavada Moore, Sandy Mori, Frances Neagley, Paul Olson, Daniel Orseck, Jaclyn Overstreet, Anthony Perry, LaShawndra Price, Pauline Proshan, Tom Rudulovich, Christopher Rhie, Danny Ricks, Ron Saturno, Gary Schilling, David Schnur, Tammy Silas, Norman Smith-Wilson, Sarah Thibeult, Arnold Townsend, Jay Treinen, James Warshell, Marcele Watkins, Zeke Weiner, Bryon Wilson, Reginaldo Woods, Recia Young

Commissioner Romero stated that three years ago, as President of the Commission, he was made Chair of the Committee, appointed by the Mayor, consisting of a Council of 30-40 leaders of various sectors to study a way to end homelessness in the City through providing housing. Mr. Romero stated that the two organizations, Mercy Housing and Community Housing Partnership have proven track records with the Agency, and based his vote of support on the evidence of experience with housing projects that have the best interest of the city. Mr. Romero stated that he felt obligated and convinced in terms of the arguments made that it is a well designed project, and urged his

fellow Commissioners to approve it without changing it, to integrate the community, provide towards diversity, and if the Commission is to support the Mayors plan to end homelessness, this should be supported.

Commissioner Romero put forth a motion to adopt item 3(a).

Commissioner Swig stated that when this item was continued, he heard that there was not enough community outreach, parking was not adequate, and the appropriateness of the project in the neighborhood. With regard to community outreach, he was satisfied that there had been thorough community outreach and that the neighborhood has had its opportunity to review the project and be heard. Mr. Swig stated that in regards to parking, based on further research and in the context of the proposed project, and the neighborhood plan, parking was no longer an issue. Mr. Swig stated, as to the appropriateness of the project in the neighborhood, and echoed Commissioner Romero's feelings about the Mayor's plan to alleviate chronic homelessness by providing homes. Mr. Swig stated that he intellectually supported what was so eloquently heard from one of the testifiers about life, liberty and the pursuit of happiness and encouraged everyone to visit Mission Creek, the Plaza Hotel project, to see supportive housing, the process and the evidence of supportive housing which works, and is illustrated by the success stories that exist in those projects. Mr. Swig seconded the motion to proceed, and asked the project developer to listen to a issues of tenant mix, if there is an ability to manage tenant mix, male vs. female and other demographics, to pay attention to tenant mix so they are satisfactory, and in regard to the commercial space asked that they work with the neighborhood to make sure what occupies that commercial space serves their needs.

Commission Covington inquired as to whether there was an Advisory Board.

David Schmur stated that the Advisory Board came out of their community outreach and community members asked that there be an ongoing opportunity to participate in both the design and development and in the operations. The Advisory Board has not been formed since it just recently came out in terms of outreach from the May 20th Commission meeting, but are planning to have continuing discussions with the community around some of the issues raised at the meeting in terms of parking and use of the retail space.

President Covington stated in hearing the concerns from people who live closest to the proposed project, thinks it would be a good idea for those people to consider serving on that advisory board so their concerns can be voiced to the people who can make the changes necessary. Ms. Covington stated that she supports the project with the caveat that the advisory board is a real advisory board and have some dissenting voices contained in it.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SWIG, AND UNANIMOUSLY CARRIED THAT AGENDA ITEM 3(a), RESOLUTION NO. 49-2008, BE ADOPTED.

5 minute recess.

4. MATTERS OF NEW BUSINESS:

President Covington stated that it was recommended during recess, due to the time, that Items 4(h) and 4(i) be continued to the next meeting.

4(h) Workshop on the proposed design concept for a new Mission Bay UCSF Hospital on Blocks 36 to 39 and Block X3; Mission Bay South Redevelopment Project Area

4(i) Resolution No. 82-2008, Approving a Term Sheet with The Regents of the University of California regarding the purchase of Block 7 West for the development of an affordable housing project in connection with the Regents plans to expand UCSF hospital facilities to Block X3; Mission Bay South Redevelopment Project Area

Speakers: None

Mr. Singh made a motion, Ms. Breed seconded, and unanimously approved (with Ms. Cheu absent) that items 4(h) and 4(i) be continued to August 5, 2008.

CONSENT AGENDA

(a) Approval of Minutes: Meeting of July 1, 2008

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED, (WITH MS. CHEU ABSENT) THAT CONSENT AGENDA ITEM 4(a), APPROVAL OF MINUTES FOR JULY 1, 2008, BE ADOPTED.

REGULAR AGENDA

(b) Resolution No. 76-2008, Authorizing the Executive Director to cast assessment ballots in the affirmative on behalf of the Agency Commission as the owners of twenty parcels in the Yerba Buena Center Redevelopment Project Area for a combined annual assessment of \$177,067 with a potential 5% annual increase based on the Consumer Price Index, for an aggregate total amount not to exceed \$1,441,004 over seven years, as part of the Yerba Buena Community Benefit District, Yerba Buena Center Redevelopment Project Area.

Speakers: John Jeffries, Heather Almond, Jessie Leet, Andrew Bryant, Saul Feldman

Commissioner Swig stated that under the advice of Agency General Counsel perceives that he has a conflict with this issue; therefore, he recused himself from voting.

Director Blackwell stated for clarification purposes that the Commission was voting on the correct amount as revised on the resolution, the annual amount is \$177,067 and the aggregate amount be an amount not to exceed \$1,441,678.

Commissioner Singh put forth a motion to adopt item 4(c), as amended. Commissioner King seconded the motion.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED, WITH MR. SWIG ABSTAINING, THAT RESOLUTION 76-2008, BE ADOPTED.

- (c) Resolution No.77-2008, Authorizing an Exclusive Negotiations Agreement with 706 Mission Street Co LLC, a Delaware limited liability company, for the development of a mixed-use project, including a residential tower and museum space, on 706 Mission Street (Assessor's Block 3706, Lot 93) and Agency Parcel CB-1-MM located at the north side of Mission Street between Third and Fourth Streets (Assessor's Block 3706, portion of Lot 117) and also authorizing other ancillary actions; Yerba Buena Center Redevelopment Project Area

Speakers: Edward Collins, Joe Fang, Julia Miller

Commissioner Romero stated that the authorization of the Exclusive Negotiations Agreement with 706 Mission was the beginning of the process to see if the final terms can be reached, and pointed out the phenomenal potential benefits of the affordable housing component, the 28% contribution of housing that would be required, and the potential contribution from the developer to the Agency's affordable housing fund. Mr. Romero stated that those were big benefits but most importantly to him, he stressed that he would like to see the Mexican Museum come to fruition. Mr. Romero stated that provisions have been made to assure that the interest of the Agency are protected, and the focus and goal should be to complete the Yerba Buena Center, and to give the Mexican Museum the best opportunity to succeed. Mr. Romero stated that there would be opportunities when the terms are negotiated for the Commission to have input on anything significant that is not right. Mr. Romero urged his fellow Commissioners that it is very important to give the team support with a positive send off and hope for the best. Mr. Romero put forth a motion to adopt Item 4(d).

Commissioner Swig echoed Commissioner Romero's of the importance of developing the project, the contribution of low income housing, and the ENA providing an opportunity for them to finish another great neighborhood in San Francisco, the Yerba Buena Center neighborhood. Mr. Swig seconded the

motion, however, with a couple of adjustments due to significant questions and concerns; the resolution in paragraph 10 which he fully supports, however, allow more flexibility to the potential developer, the resolution is aggressive in areas in its assumptions that the Mexican Museum may be, or is the only option, and stated that the resolution should be more flexible to the greater concept of the general cultural component. Mr. Swig stated that in paragraph 11, there is the assumption of an agency lease with the Mexican Museum and stated that he would like to move the item but recommended that the language be softened; beginning on the 4th line where it says developers construction of the base core and shell of the cultural component which would be conveyed after completion back to the agency at no cost, suggested "designated cultural component", which he believes gives more flexibility to the developer in the ENA. Secondly, in paragraph 11, beginning on 5th line, "an Agency lease with priority to the Mexican Museum; suggested, "priority to the Mexican Museum or a designated cultural component" which he felt goes along with the spirit of the engagement and does not push the developer into a corner. Mr. Swig stated that he supported moving the item forward but with his suggested changes in paragraphs 7 and 11 and in concurrence with statements made by Amy Neches.

Commissioner King indicated that he did not understand the suggested changes by Commissioner Swig and reminded the Commission that the agencies mission is to make communities more viable, and to help bring cultural facilities into the city. Mr. King reminded the Commission how much funding went towards the Museum of the African Diaspora which is the responsibility of the agency. Mr. King stated that the Mexican Museum should also be represented in the Yerba Buena Center and disagreed with Commissioner Swig's motion in trying to bring someone else in. Commissioner King seconded Commissioner Romero's motion.

Commissioner Romero addressed Commissioner Swig's concern that ultimately, the Agency will have the authority to determine who would occupy the space and expressed his concern about changing the wording drafted by the Agency General Counsel, but more importantly, would like to give the development team, Millennium, and the Mexican Museum a vote of confidence. Mr. Romero stated that the speakers representing and supporting the Mexican Museum at the podium were completely different from the people a few years ago, and would like to give the group, which is in his opinion, starting to resemble the kind of quality representatives that came before the Commission and testified on behalf of MoAD. Mr. Romero stated that he wanted to give the group a vote of confidence and show them that at least for the next 18 months, that they are going to have the Commission's support. Mr. Romero stated that he did not think the wording as proposed by Commissioner Swig is necessary as he believes his concerns have been addressed, recommended accepting staff's recommendation, does not accept the friendly amendment, and understands it is friendly.

Commissioner Breed stated that she also has a problem with the resolution, understood Ms. Neches' explanation but thinks the resolution requires and mandates that the Commission consider a number of regulatory approvals over the next 18 months. Ms. Breed asked for clarification from General Counsel Morales whether, based on the language in paragraphs 7 and 11, if it requires that the Commission to do so with the Mexican Museum.

General Counsel Morales stated that the more relevant paragraph is paragraph 5 which describes it as an ENA, subject to the LDA, and that the subsequent paragraphs do not add or require anything, as long as the LDA is in place, the exclusive negotiation is not truly exclusive.

Commissioner Breed stated that with such a significant project, that it is very important to outreach to the local area and to do so aggressively with members of the community so their input is taken seriously.

Commissioner Swig thanked Commissioner King for clarifying the mission of the Redevelopment Agency, agrees and appreciates his guidance and for clarifying his point of view. Mr. Swig stated to Commissioner Romero that it was a friendly amendment and thanked him for viewing it as such. Mr. Swig indicated that Commissioner Breed asked the best question in what Agency General Counsel Morales' legal interpretation of the resolution, and with Mr. Morales' interpretation; Mr. Swig removed his contingencies and moved to pass the resolution.

Mr. Singh stated that the item has been going on for quite some time and would like to see it built, and agreed the comments made by his fellow Commissioners, Romero, and King in support of the resolution as presented.

Commissioner Covington inquired as to the height limitations.

Ms. Neches stated that based on the Commissions direction, references to the height were removed in the ENA which will be studied as part of the design process and the environmental impact study, including shadow impacts, and will return with a more specific height proposal as part of the overall physical proposal for the project when it has been appropriately studied.

Commissioner Covington asked how the concerns of the residential property owners close to the project be addressed.

Ms. Neches stated that it is their intention of meeting and incorporating their concerns into the process with the developer but felt it important to get into exclusive negotiations regarding agency property before the public process to make sure staff had the Commission's approval to do so. Ms. Neches stated that they intend to start meeting with the developer and architect to discuss how the project may work, and are aware of their concerns about traffic and parking and have asked the developer to study alternatives which will be

subject to a full environmental impact report that will look at of the issues in detail and will become part of basis for final decision making.

Commissioner Covington encouraged staff to talk to St. Patrick's Church and to include members of the congregation.

Commissioner Covington inquired about the affordable housing requirement.

Ms. Neches stated that the 90 affordable housing units are based on the typical per unit subsidy that the agency provides for agency projects.

Commissioner Covington asked if there have been any projections by staff as to the revenues that might be generated.

Ms. Neches stated that the garage generates net operating income, after expenses, about \$1.5M year with the garage operating reasonable at full occupancy. However, the debt service payments on the bonds that were sold to support the garage and the public improvements are greater and increasing; the debt service payments increased from \$2M - \$3M to about \$5M a year. Ms. Neches stated that the net revenues from the garage are not enough to pay the debt service, therefore, the general fund pays the debt service, and then in the form of tax increment to the Agency, the Agency then pays the debt service, and then the net revenues from the garage are paid back to the general fund over time. Ms. Neches stated that while the bonds will be paid back by 2018, the Agency will not finish repaying the city through those net revenues for another 20 years after that because the net revenues from the garage are not sufficient, therefore, although the general fund will in the long term will be repaid back, it will, for the next 30 years, cause an outflow of funds from the general fund which could be used for public health or affordable housing to support the garage. Ms. Neches indicated that the goal in selling the garage, and having the bonds paid off would remove the burden from the city and the general fund, while maintaining adequate public parking so that the net revenues at that point would flow to the developer since they would have paid and own the garage.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SWIG, AND UNANIMOUSLY CARRIED, (WITH MS. CHEU ABSENT) THAT RESOLUTION 77-2008, BE ADOPTED.

- (d) Resolution No.78-2008, Authorizing a Memorandum of Understanding with the City and County of San Francisco, acting by and through its Arts Commission, and the Mexican Museum, a California nonprofit corporation, to collaboratively develop and implement a predevelopment plan for a new museum associated with a new mixed-use project on a site that includes 706 Mission Street (Assessor's Block 3706, Lot 93) and Agency disposition parcel CB-1-MM (Assessor's Block 3706, portion of Lot 117), for a one-year term in an amount not to exceed \$280,000; Yerba Buena Center Redevelopment Project Area

Commissioner Romero stated that this item was a companion piece, as stated by Ms. Neches, to the item just past unanimously, and believes the same should be done with the Mexican Museum item before them. Mr. Romero stated that there have been millions of dollars in the budget in past years for the building of the Mexican Museum, he did not think the entity themselves received a penny from the agency, and this would be the first financial contribution that would go directly to the museum. Mr. Romero stated that it seemed as that there had been a lot of time spent in negotiating the terms of the MOU, thought it was very fair to everyone, and protects the interest of the agency, and stated that the amount of money in terms of what the Commission approves is a drop in the bucket. Mr. Romero asked that the Commission give them a good send off and to be supportive.

Commissioner Romero put forth a motion to adopt Item 4(d)

Commissioner Swig stated that it was important to support the concept of establishing a permanent home for the Mexican Museum, especially within the Yerba Buena Center along with MOMA, YBCA, MoAD, Zeum, and the Jewish Contemporary Art Museum which are all jewels in a beautiful crown. Mr. Swig acknowledged Mr. Kings comments and agreed with him, and reiterated that it is the Commissions mission at the Redevelopment Agency to support cultural institutions, the community, and the development of cultural institutions like the Mexican Museum. Mr. Swig stated that it is not a “no brainer” (as stated by one of the speakers), it is a no brainer that the city should have a Mexican Museum due to the culture of the City, State, and continuing the education of the next the generation in recognizing the roots of California, and San Francisco. Mr. Swig stated that the Agency has to be haunted by its other responsibility which is to retain its agency and custodial relationship with the citizens of San Francisco by putting the fiscal interest of the citizenry as a priority, as well as the intellectual interest of finding a place for the Mexican Museum or any other cultural institution. Mr. Swig stated that he would be in favor of supporting the MOU with the Mexican Museum but with some conditions and concerns. As he reviewed and discussed this with the Mayor’s office, the Executive Director, representatives from the Arts Community, he was concerned that any grant or loan from the Redevelopment Agency would be administered by another agency, and managed by another agency, as proposed in the resolution, and stated that he was not comfortable with that because he believes the Agency should administer and look out after it’s own money, and stated that he also is supportive the MOU with the Arts Commission given that this is their primary expertise, although he is not comfortable with it. Mr. Swig stated that he believes that there should only be a one year term and at the end that one year term review the progress of the Mexican Museum before going forward with a second term, that is handled in the agreement under letter (a), but recommended that after the first sentence that there would be a reiteration that addresses that with upon a complete briefing by the Mexican Museum regarding their adherence to the plan and the achievement of their goals that the agency would consider another MOU, and

requested that that be added. Mr. Swig indicated that what most concerned him are the balance sheet and the financial statement of the Mexican Museum of which he has not seen. Mr. Swig indicated that he understand that all Commissioners had been provided with a letter from Ann Lazarus of the Fort Mason in reference to the outstanding obligation that the Mexican Museum has to the Fort Mason Center, and according to Mrs. Lazarus, the Mexican Museum Board members discussed their expectations of being able to raise funds under this MOU to pay off that obligation, which in the MOU is not considered and reiterated that the funds may not be used for that purpose, but it concerns him that they have a \$257,000 obligation, and lead him to another item in the MOU, item D1; "that a copy of a fully executed agreement between the Museum and the Fort Mason Foundation for the payment of any monies owed by the Museum to Fort Mason Foundation", Mr. Swig suggested that "be required", be added, and asked that the language be stronger, not only an agreement but that there is evidence of that payment, and evidence of the ability of the Mexican Museum to pay that obligation.

Mr. Swig asked Ms. Neches about the staff report under background, that the Mexican Museum had not satisfied it's obligation under the LDA, and asked to be more specific about that compliance record and how they did not comply.

Ms. Neches stated that the 8th amendment to the LDA approved in 2004, set a series of performance goals, specially around capital fund raising that the Museum was required to meet to provide that it would have enough funds for it's share of the construction project, the Museum was unable to meet with those goals, therefore, is not in compliance with the terms of the amended LDA, and in January 2006, they were informed in writing that they were not in compliance with the requirements of the LDA.

Commissioner Swig asked how successful the Museum was in fund raising.

Ms. Neches stated that the agreement had been in place for quite some time, as many other agreements with Museums before they come to fruition, the Museum has never been able to achieve it fund raising goals fully, did have some early success of funding raising which funds were spent at that time for planning and operational activities. Their most successful effort at this point is that the Museum has received a grant which has not been dispersed for the new project of \$2.4Million from the State of California under the Prop. 40 funding. Their ability to fund raise has been impaired by both uncertainty that their gallery has not been open, and the uncertainty around the Yerba Buena project. Ms. Neches indicated that based on discussions with the Museum and Mr. Cancel, with the approval of the ENA, and the public knowledge for the new mixed use project, and with the Agencies support of seed money, the Museum have committed to use the \$250,000 to help leverage private fundraising from foundations and individuals to fill out their budget for the coming year which would include funds that would be used to make the payment under a approved payment plan with Fort Mason. Ms. Neches

indicated that it would be the seed money for additional fundraising, and part of the predevelopment plan that would have to be presented to the Commission which would include those goals for private fund raising, measures that the Commission would be able to track over the next year before considering either further funding under the MOU or an amendment to the LDA to provide for their eventual inclusion in the mixed use project.

Commissioner Swig stated, in consideration of the mission of Redevelopment, and in consideration of the intention of the Mayor's office to make this happen, and in consideration of the community support that clearly exists for this project, and in consideration of why we should celebrate Mexican Heritage as part of our own San Francisco culture, he fully supports the approval of the MOU, however, not without those business considerations that he identified in the two sections.

Commissioner Covington asked that Mr. Swig reiterate the items of concern succinctly.

Commissioner Swig stated, under subheading agreement, letter (a), would begin the second sentence, "upon a full briefing by the Mexican Museum regarding adherence to the plan and achievement of its goals", and section (d), stronger language that shows evidence of payment, not just in agreement, but actual payment, a significant payment towards the obligation that the Mexican Museum has to Fort Mason.

Commissioner Breed stated that as a Director of a cultural center, she understands how difficult it is to raise money, and is concerned that the Agency sets organizations or entities for failure where there are situations where money is given in the beginning and situations arise where they come back for money for various reasons. Ms. Breed stated that she wanted to move forward with certain restrictions in order that the Mexican Museum is successful because she is concerned that the Agency is setting the Mexican Museum up for failure. Ms. Breed stated if the Mexican Museum does not have a proven track record that they can raise money and pay their debts, she has a concern with that in which she referenced the debt owed to Fort Mason. Ms. Breed indicated that she had an issue with the Arts Commission being part of the agreement since the Agency is the best resource to work with the Mexican Museum, and does not see a need for a third party. Ms. Breed stated that there have been a lot of problems with other museums such as Zeum and MoAD, and the Agency has been able to help the organizations out, but MoAD is still having its problems and she does not want that to happen to the Mexican Museum. Ms. Breed believes the Agency should do its part financially but also thinks that the Agency should not be entering into an MOU with the Arts Commission, and hold the particular MOU with the Agency, and also suggested that strong language needs to be added to say that they need to pay at least 65% of the monies owed to the Fort Mason Center, and to make sure that the Agency is friendly and helpful in working with the Mexican Museum in a productive manner in trying to move this forward. Ms.

Breed asked about the issue of the Agency not giving the Mexican Museum money because there a board member said that no money was given to the Mexican Museum by the Agency, and asked how much the Agency has spent overall.

Ms. Neches indicated that the Agency has not provided the Mexican Museum any operating support to the Mexican Museum, the Agency has paid for most of the cost of the original design of the Museum, and in addition, when the Jessie Square Garage was constructed, the Agency also constructed the foundation of the Museum through which the garage exit ramp to Mission Street passes; as part of constructing the exit ramp, the surrounding foundation, the lower basement level of the museum was constructed. Ms. Neches indicated that some of those costs are equally garage costs and foundation costs in the range of \$4M, part of the \$43M for the cost of the Jewish Museum foundation that were built at the same time as the underground Jessie Square Garage. The Agency has spent around \$4.5 on Mexican Museum related design and construction, however, they have not provided any operational or planning funds to the Museum. The funds are not intended to be the full operating costs for the next year, the amount of funds the Museum has requested for a year with the understanding that they will do their own fundraising to match and hopefully exceed that amount. The use of the redevelopment tax increment funds is limited to planning work for the new facility, it is not meant to be ongoing operational funds for their galleries at Fort Mason or their activities in the City. They fully expect to do their own fundraising, leveraging off the Agency's commitment for the remainder of their budget, one of their communications with the Agency, they suggested that their full operating budget for the next year would be in the range of \$500,000, thus the \$250,000 that they have requested from the Agency, plus approximately that amount that they would fundraise. Ms. Neches stated that, at the suggestion of the Commission, that before the funds are dispersed, that the Museum enter into an agreement with Fort Mason that creates a payment plan that is acceptable to both institutions before any funds are released. Ms. Neches stated that the requirement to repay the funds prior to receiving any of the funds by the Agency is not a realistic requirement. Ms. Neches indicated that the Mexican Museum will use the funds to jump start their own fund raising, staffing, and planning that will help them raise funds to repay Fort Mason, but to require that before they can get any funds, they would have had to pay back the majority or all, or 65% of the funds they owe Fort Mason, would cause a problem where they will not be able to raise the funds to repay Fort Mason without the seed money.

Ms. Breed asked why the Arts Commission is being given an additional \$30,000 and not taking care of the responsibilities of the Agency as it relates to the Museum.

Ms. Neches stated that the role of the Arts Commission is critical, as the Agency staff does not have the expertise on organizational development on museum planning to oversee and to provide the consulting support to the

museum that the Agency believes the Art Commission more appropriately can do. Ms. Neches stated that it is not uncommon when the Agency is providing grant funding to a smaller, more challenged organization to require a fiscal agent who is willing and able to take on the responsibility for the disbursement and accounting of funds and the close monitoring of the use of those funds which is what the Arts Commission role will be in addition to its consulting role with the Mexican Museum. Ms. Neches stated that the Mexican Museum is an important institution not only for the Redevelopment Agency but for the City as a whole, bringing in another city agency with the kind of expertise that they have, staff believes makes it a stronger possibility of success for the future and provides an oversight on a daily basis that is necessary and appropriate.

Commissioner Breed asked if any of the other museums the agency has worked with, such as MoAD and Zeum, run into similar financial problems such as raising money, fundraising.

Ms. Neches stated that Zeum had many challenges in the first two years, the Agency brought in teams of consultants to assist Zeum during its planning and since the Agency constructed the building, which was not an issue, but in terms of their start up operations, the Agency amended the operating agreement to provide more upfront funding to Zeum, nine times in the first three years of its existence. Ms. Neches stated that the Jewish Museum also faced challenges, the LDA was approved in 1995 and amended ten times facing organizational restructuring and fundraising challenges over the years. The Jewish Museum brought in new leadership as the Mexican Museum is doing, brought in a new Director, and with great support from the City the Agency, and the community, the Jewish Museum was able to fulfill their goals of fundraising which recently just opened. Ms. Neches stated that the predevelopment plan which sets the roadmap, will come back to the Commission for approval, and once they enter into the detailed grant disbursement agreement with the Arts Commission, and the Fort Mason agreement, funds will be released to the Arts Commission to be disbursed on an ongoing basis to the Mexican Museum who will then hire staff and use those funds for staffing and predevelopment planning, and will then come back to the Commission with the actual predevelopment plan which will set out all of their actual predevelopment milestones for approval in order for them to go forward. Ms. Neches stated that it will be critical not only to whether there should be an extension in the second year of funding under the MOU, but to a decision by the Commission as to whether they are going to be a viable cultural partner in Yerba Buena for the larger project in the future.

Commissioner Breed stated that she understood the importance of having the Mexican Museum in San Francisco, she would like to see the museum built right in the middle of all the other museums there, that it deserves to be there, but she stressed that she wanted to make sure that the Agency is responsible and realistic about the challenges that the Mexican Museum will be facing. Ms. Breed wanted reassurance that the Agency is acting responsibly, as with

the garage and MoAD, she does not feel the Agency acted responsibly but wants to make sure that they have the financial support to the entities to make sure they are successful.

Director Blackwell stated that the agreement with the Arts Commission is not an agreement that the Agency will be walking away from, it will be the Agency, the Mayor's Office, and other members of the City family who will continue to be involved and monitor the progress on the private fundraising side, and stated that there are a number of foundations who have expressed concern about the Mexican Museum, and where it stands, and to make sure the Mexican Museum is successful. Mr. Blackwell stated that the MOU is not intended for the general operation for the Mexican Museum, it is focusing on the nexus between the ENA, and what will need to happen predevelopment wise in order to get there as a viable partner.

Commissioner King inquired as to who requested the letter from Fort Mason Center and stated that the letter has caused confusion, and expressed that what the letter is saying is that they want the Mexican Museum dumped. Mr. King stated that the Fort Mason Center has supported the Mexican Museum in the past but that the letter does not support the Mexican Museum. Mr. King suggested that the Fort Mason Commission be contacted and ask that the debt be written off. Mr. King stated that the letter was addressed to President Covington who was on the Fort Mason Commission and asked for verification.

President Covington stated that she was on the Fort Mason Board of Director for 13 years.

Director Blackwell stated that the concern expressed from the Commission and the Mayor's office is that the obligation to Fort Mason be taken seriously, and in anticipation of this meeting, he and Director Cancel have urged Fort Mason and the Board of the Mexican Museum to get together to work out an agreement which was the hope that such an agreement would have been part of the meeting. Mr. Blackwell stated that over \$200,000 is owed to Fort Mason's Board, and they do not take that lightly, and stated the important piece of work between now and when the MOU is executed is to work out an agreement with Fort Mason that makes them comfortable, and makes them whole.

Commissioner Romero stated that every single issue that has been raised has been the subject of negotiations between staff and the Mexican Museum Board, and was able to agree and recommend to the Commission. Mr. Romero stated that there was a workshop on the funding of cultural facility operations June 3rd, and stated that the \$250,000 which has been repeatedly described as seed money would allow Fort Mason to get their money by allowing the Mexican Museum to have seed money to go out and do fundraising, and pay off the obligation. Mr. Romero read the following: "Yerba Buena Center for the Arts, constructed and owned by the Agency,

\$40M contribution from the Agency, land sales and bonds; operating agreement provides \$3.55M annually through 2019 with extension options through 2094; current total operation budget \$7.6M; Zeum, constructed and owned by the Agency, \$13M in hotel bonds were issues to construct the site, a debt the Agency has; operating agreement provides for \$500,000 annually through 2012 with a 10 year extension option, current total operating budget of \$2.2M; Museum of the African Diaspora; developed as part of the St. Regis Hotel; Agency contribution \$15.8M in cash, and in kind for capital costs; operating agreement provides for \$1.1M in 2007-2008 from the Agency, \$900,000 in 2008-2009, \$500,000 annual through 2014, \$400,000 through 2016, currently operating budget \$1.7M; Contemporary Jewish Museum, developed by the Museum, Agency contributed \$14M in land in construction bond funds, no operating support from the agency, total projected operating budget \$5M. Mr. Romero asked if the Commission will support the Mexican Museum or not, and asked why is there was so much negativity. Mr. Romero stated that there is a recommendation from staff that have been negotiating with the sensitive and potential divisive issues for months, and asked that the Mexican Museum be given an opportunity to go forward as Ms. Neches recommended. Mr. Romero stated that he was very disappointed that the discussion has become so negative, and that everyone knows the history and the negatives from the past, and asked if the Commission was going to dwell on it. Mr. Romero stated that he had made a motion earlier and was not certain if it was seconded.

Commission Covington stated that the motion was seconded by Commissioner Swig with two caveats.

Commissioner Swig stated that he would like to sustain his second and would like to make a change but make a comment before suggesting the change. Mr. Swig stated that he agreed with Ms. Neches that the Agency set the bar too high by requiring immediate payment of the \$250,000, agreed with Ms. Breed about setting organizations up for failure, and Mr. Romero stating if the Mexican Museum is not given an opportunity, it will not happen. Mr. Swig stated they have to be given a chance. Mr. Swig stated that he agreed with Mr. King that someone threw in a "poison pill" into the room with the letter from Fort Mason, but indicated that it is the Agency's fiscal responsibility to acknowledge the letter. Mr. Swig stated that he seconded the motion but would like to remove his contingency on letter D-1 to let it stand as it is, however, adjust the paragraph under agreement A and acknowledge the Fort Mason obligation by saying the following, "Upon resolution or payment of the Fort Mason obligation, and upon a full briefing by the Mexican Museum regarding adherence to the plan and achievement of goals, the Agency will consider a one term extension...". Mr. Swig stated that by doing this, the Agency will be serving their fiscal responsibility of acknowledging the \$250,000 or as Mr. King suggested, if they want it to go away, they can do that, and that is a resolution of the situation.

Commissioner Covington stated that when she is cc'd on a letter that relates to an item on the upcoming agenda, it is her responsibility to make sure that all members of the Commission have the same information, forwarded the letter to the Commission Secretary, and asked her to include it in the packets for the evening since the letter did not arrive so it could go to their homes. Ms. Covington stated that she did not think the letter was a poison pill, believed it was information needed, and feels very strongly that the best predictor of future behavior is past behavior. The Mexican Museum owes Fort Mason Center \$257,000 in back rent and stated if they can not pay their rent, what else can they do. Ms. Covington stated that for Fort Mason Center to permit the tab to be run up that point is, in her opinion, an indication of their desire for the Mexican Museum to exist. Ms. Covington stated that if they wanted to see the failure of the Mexican Museum they would not have gone to that extent, and is a tremendous vote of confidence in their eventual ability to pay the bill. Ms. Covington stated that the letter is an essential communication so the Commission can make an informed decision. Ms. Covington stated that she agrees with members of the Museum Board, and Mayoral Staff that she has always wanted the Mexican Museum to go forward but the museum has been in technical default with the Agency for quite some time. Ms. Covington asked Ms. Neches what the difference was today that gives her the confidence that the Mexican Museum will go forward and be successful.

Ms. Neches stated that the overall project with 706 Mission is a more realistic project than the projects that had been presented in the past, it is a smaller less expensive project and will be less costly both to build and operate, and is a more realistic venture such as the Mexican Museum to move into, in addition, the Yerba Buena Redevelopment Plan expiring on January 1, 2010. Ms. Neches stated that the amount of time available to complete the project is very short for a large regulatory process, and believes the Mexican Museum feels the press of time that they must be able to move forward now or never move forward at all since the Agency will loose their authority, and ability to provide any funding. Ms. Neches sensed from past discussions and meetings held that the Commission wished to end the relationship and to declare a default, terminate the agreement, but instead, what staff has heard from the Commission, and what has been indicated through the Director, is that the Commission wishes to seal a path forward with the Mexican Museum which she believes is the Commissions general desire, and the Mayor's desire, to look for a way to make the project possible, to come up with a scaled down project within the mixed use context that brings other resources as well as providing them with the funding. Ms. Neches advised as the Agency Staff, as Mr. Romero and Mr. Swig said, the Agency must provide the Mexican Museum help and a reasonable path towards success, or terminate the agreement and let it linger. Ms. Neches indicated what staff has done is to try to provide the way forward and give a fighting chance to what the Agency believes is an important cultural institution.

Commissioner Covington stated that it is an important cultural institution and the relationship with the museum is a powerful relationship. Ms. Covington

asked, due to the fact that the Yerba Buena Project Area is going to sunset on January 1, 2010, in 18 months, has the subject of the Agency's total inability to give them any monies after that date come up.

Ms. Neches stated that the Mexican Museum Board members are aware of the limitation. The agency has \$7.2M, tax increment bond funds that were sold a number of years ago with the expectation of moving forward on the construction of the core and shell but the hotel tax bonds were never authorized, never sold. Ms. Neches stated that the \$7.2M includes the \$250,000, and the use of those funds, whether those funds get used for the Mexican Museum to possibly help them, with the tenant improvements still their responsibility, is a decision that staff will come back with recommendations to the Commission after review of the Museums progress as to whether they have been able to organizationally become a viable sustainable partner. Ms. Neches stated that the agency has negotiated with the developer to ask them to contribute \$5M of their funds as part of their public benefits coming out of the ENA agreement, into an endowment fund for the Mexican Museum, and the ultimate disbursement of the \$5M has not been discussed further, but it is the hope with the money and assistance of Director Cancel, the Mexican Museum would be a better partner with the Agency for the long term development, and operational plan.

Director Blackwell stated that one of the important things that is going on in terms of the difference between what is going on now and before is raising capital dollars for a project that is speculative, which is a much more difficult fundraising proposition than the one that is before the Mexican Museum right now. The inclusion of Millennium, the ENA that was just approved, and the terms, creates a different type of fundraising challenge which is on the operation side, and stated that it is much easier to raise foundation dollars on the operation side then it is for a capital project that seems to be very far off on the horizon.

Commissioner Covington referenced item D, requirements prior to release of the grant amount, "before the Agency will disburse the grant amount, the Museum must submit to the Agency the following documents within 60 days of the effective date of the MOU or as soon as possible, thereafter", Ms. Covington requested that the phrase, "or as soon as possible, thereafter", to be stricken, and that the "60 days be a firm period of time".

Ms. Neches stated that per Director Cancel, one of the reasons that they was allowed some leeway in the 60 days was because the Fort Mason Board would not be meeting for two months and any agreement with the Fort Mason Board would require an agreement with the board for the workout plan. Ms. Neches stated that it is in the Museum's interest to meet the requirements for Items D1 and D2 as quickly as possible since they will not receive any funds until they reach an agreement with Fort Mason, and stated that the Agency's interest was not in creating an immediate default before any funds were disbursed, but

to provide some leeway for the Fort Mason Board to meet, and for the agreement to get worked out.

Commissioner Romero made a point of order, put forth a motion to adopt staffs recommendation with no conditions including their wording of the MOU, and asked if he had a second on his motion with no conditions. Commissioner King seconded Commissioner Romero's motion as stated.

Commissioner Singh supported Commissioner Romero and King's motion. Commissioner Covington asked for clarification if the motion served as a rejection of any amendments.

Commissioner Romero clarified that his motion and a second was with no conditions.

Commissioner Breed asked Mr. Swig to repeat his suggestions.

Commissioner Swig stated that his only condition was that under the agreement section of the resolution under paragraph A, that the second sentence should begin with "upon resolution or payment of the current Mexican Museum obligation to the Fort Mason Center and upon a full briefing by the Mexican Museum regarding adherence to the plan and achievement of its goals, the Agency will consider a one year term extension with additional grant funding".

Commissioner Covington stated there was a motion on the floor with a second and all in favor to signed Aye: Commissioners Romero, King, Singh, and Swig voted Aye. Opposed: Commissioners Covington and Breed voted Nay.

Commissioner Romero stated that there were 4 Aye's and 2 Nay's and asked the President to recognize the vote.

Commissioner Covington rescinded her vote.

Commissioner Romero stated a point of order and asked if the votes were being changed.

Commissioner Covington asked Mr. Swig if Mr. Romero rejected his friendly amendments, Mr. Swig confirmed.

Commissioner Romero stated as a point of order that there was no second to the friendly amendment, it died, and what was voted was the main motion which was properly seconded, and the vote was 4 to 2, and should be acknowledged and move the agenda.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED, WITH MS. COVINGTON AND

MS. BREED VOTING NAY, (MS. CHEU ABSENT) THAT RESOLUTION 78-2008, BE ADOPTED.

(Items 4(e), (f), and (g) were presented together, but acted on separately)

- (e) Resolution No. 79-2008, Approval of the Amended and Restated Local Goals and Policies for Community Facilities Districts for the Agency for the purpose of: 1) satisfying the minimum requirements of the Mello-Roos Community Facilities Act of 1982; and 2) establishing appropriate policies with respect to the formation of Community Facilities Districts.; All Redevelopment Project Areas

Presenter: Nicole Franklin, Agency Staff

Speakers: Espanola Jackson, Oscar James, Al Norman

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED, (WITH MS. CHEU ABSENT), THAT RESOLUTION 79-2008, BE ADOPTED.

- (f) Resolution No. 80-2008 Considering amendment and restatement of the rate and method of apportionment of special tax and increases in the authorized principal amount of bonded indebtedness and the annual appropriations limit for Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard phase one improvements); Hunters Point Shipyard Redevelopment Project Area

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED, (WITH MS. CHEU ABSENT) THAT RESOLUTION 80-2008, BE ADOPTED.

- (g) Resolution No. 81-2008, Declaring the intention to establish Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 8 (Hunters Point Shipyard Phase One Maintenance); Hunters Point Shipyard Redevelopment Project Area

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED, (WITH MS. CHEU ABSENT), THAT RESOLUTION 81 81-2008, BE ADOPTED.

5. **MATTERS NOT APPEARING ON AGENDA:** None

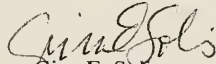
6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

Speaker: Espanola Jackson, Ace Washington

7. **REPORT OF THE PRESIDENT:** None.
8. **REPORT OF THE EXECUTIVE DIRECTOR:** None.
9. **COMMISSIONERS' QUESTIONS AND MATTERS:** None.
10. **CLOSED SESSION:** None.
11. **ADJOURNMENT:**

It was moved by Commissioner, seconded by Commissioner, and unanimously carried that the meeting be adjourned at 10:05 p.m.

Respectfully submitted,


Gina E. Solis
Agency Secretary

ADOPTED:

AUGUST 19, 2008

**MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
5th DAY OF August 2008**

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 5th day of August 2008, at the place and date duly established for holding of such a meeting.

President Francee Covington called the meeting to order at 4:00 p.m.

Ms. Covington welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Ms. Covington asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Ms. Covington stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Francee Covington, President
London Breed, Vice President
Linda Cheu
Darshan Singh
Rick Swig

DOCUMENTS DEPT.

The following were absent:

Leroy King
Ramon E. Romero

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Fred Blackwell, Executive Director, and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. No Reportable Action.

3. MATTERS OF UNFINISHED BUSINESS.

CONTINUED FROM COMMISSION MEETING OF JULY 15, 2008

- (a) Workshop on the proposed design concept for a new Mission Bay UCSF Hospital on Blocks 36 to 39 and Block X3; Mission Bay South Redevelopment Project Area
- (b) Resolution No. 82-2008, Approving a Term Sheet with The Regents of the University of California, a California Public Corporation, regarding the purchase of Block 7 West for the development of an affordable housing project in connection with the Regents' plans to expand UCSF hospital facilities to Block X3; Mission Bay South Redevelopment Project Area

Presenter: Kelley Kahn, Agency Staff, Cindy Lima, Executive Director/Project Manager, UCSF

Speakers: Corinne Woods, Norman Pearce

Commissioner Swig stated that the Mission Bay project will be an extraordinary benefit and jewel to the City of San Francisco and applauded both the Agency and UCSF for being constructive in their approach on the project, and expressed his appreciation in seeing the partnership created between the neighborhood and UCSF to try to come up with an initial design. Mr. Swig asked staff to address the Fourth Street debate of why it was mandated that it go all the way through at this point and what the arguments were back and forth.

Ms. Kahn stated that that the circulation plan for Mission Bay is intended to be very pedestrian oriented, meant to be a historical grid type development that promotes blocking and easy access. Fourth Street, as part of that runs all the way through Mission Bay North through Mission Bay South and ends at the border of Mission Bay, the idea is to make sure it is a walkable neighborhood with appropriately sized blocks. Ms. Kahn stated that at this point, to remove a section of Fourth Street would be a major amendment to the infrastructure plan of the Mission Bay Redevelopment Plan. Ms. Kahn stated that the pros and cons are two-fold; (1) if you keep the roadway through, you retain that vision of a pedestrian oriented neighborhood where it would be easy to walk through, (2) if you close it, you make a much more viable project for the hospital, and it feels more like a hospital and an institution.

Commissioner Swig stated that one of the benefits of pedestrian oriented would be that the prevention of traffic being enabled to go from one end of Fourth Street to the other to reach 16th Street which would slow traffic and make the streets quieter and more pedestrian oriented.

Ms. Kahn stated for clarification purposes that Phase Two of the project has not been developed.

Commissioner Swig stated that his preference of seeing the photo voltaic on the roof which would make it more green friendly. Mr. Swig stated, with regards to the housing piece, the affordable housing seems as though the priority given to the hospital for housing their employees is going to turn into a quasi dormitory or a slam dunk only for hospital employees and leaves out the neighborhood or opportunity for other San Franciscans in need of affordable housing who won't be employed by the hospital to be prevented from utilizing that very important affordable housing. Mr. Swig stated that he is a bit sketchy about priority versus an opportunity to present some guidelines. Mr. Swig suggested that there be a cap be placed so that other San Franciscans can be provided with the opportunity of taking advantage of affordable housing which is part of the mission of Redevelopment. Mr. Swig stated that in passing the resolution, he would like to suggest that there be some constraints on the amount of housing controlled by the hospital.

Ms. Kahn stated that there are some issues in Mr. Swig's suggestion that would make it difficult. Ms. Kahn stated that first priority is given to UCSF staff for the housing and if they do not fill it up it would be open to the public, but as a State funded Agency, UCSF has to have a direct benefit finding when they use State tax dollars to fund projects, and it would be impossible for them to make that primary benefit finding if they were to build housing that was not specifically given first priority to UCSF employees.

Commissioner Swig stated that it would be inappropriate for the Commission to have UCSF control 100% of the affordable housing 100% of the time for their employees because it flies in the face of affordable housing for the community at large and become a restricted and exclusive dormitory. Mr. Swig stated that he understands the benefit piece but asked if that benefit piece be fulfilled for UCSF while maintaining some rights for the citizenry who, if there was a standard situation where there is tax increment which was supporting that housing, the citizenry of San Francisco at large, without any restriction other than the affordable housing restriction, would have access to that housing.

Ms. Kahn stated that 1,100 of the 3,000 housing units at Mission Bay South would be affordable units which represent fewer than 250 units, which is a small portion of the pool of affordable housing units available to the general public. Ms. Kahn stated that 63% of the UCSF workers make less than \$55,000 a year and qualifies them for the housing being built by the Agency.

Commissioner Cheu complimented all for a very thorough presentation in what seemed to be a very comprehensive process. Ms. Cheu stated that she was in agreement with the preference to the UCSF employees though she understood Commissioner Swig's concerns. Ms. Cheu asked if the number of affordable housing units that are being built actually equal to what the Agency would have been able to build, considering that the Agency would have leveraged other dollars.

Ms. Neches stated that there was an analysis of the amount of displaced development based on projections of when that development was to take place and projected the tax increment, looked at the number of units that would have been created through the use of the 20% housing set aside. Affordable housing rental projects are generally paid with a combination of three sources; (1) tax credit equity which is private money that receives Federal and State tax credits; (2) Debt financing through mortgage revenue bonds; and (3) public subsidy which comes through the tax increment. Ms. Neches stated that there would not be any public subsidy put into the project but how the project will be funded will be completely up to UCSF. Ms. Neches indicated that because there is a preference for a specific employer that they would not be able to get tax credits or use mortgage revenue bonds; that would up to UCSF to make that determination based on their development, but more importantly, they will not be receiving any local subsidy. The number of units were calculated on exactly the amount of displaced development, and the amount of tax increment that would have generated for affordable housing and the number of units that that would have produced.

Commissioner Cheu put forth a motion to adopt item 3(b) and stated that she agrees with the preference due to; (1) the size of UCSF and being an important employer in San Francisco, (2) demographics of the workers, and (3) overall mix of affordable housing units that are going to be available to the community in Mission Bay.

Commissioner Breed inquired as to the location of accessibility for people in wheelchairs in the surrounding Third Street area.

Ms. Neches stated that there is a ramp on Third Street to the sidewalk up to the entrance; all facilities will be accessible.

Commissioner Breed asked how the tenants for the affordable housing are selected.

Ms. Neches stated that the issued is fully addressed in the existing DDA for the first phase of the housing and when the term sheet is turned into a new DDA, it will have the same language which requires a full marketing plan, provides far outreach, and goes into detail about reaching out to employees throughout the UCSF system, through their unions; the marketing plan must be submitted to the Agency for approval.

Ms. Breed stated that she in particular liked the Children's Hospital because the splashes of color add to the beauty of the area, and stated that she appreciates the fact that the UC system overall stepped out of their character and worked diligently with the community and has taken the communities input seriously.

Commissioner Breed seconded the motion.

Commissioner Singh stated that San Francisco is very lucky to have the facility and stated that UCSF was one of the best hospitals in the world. Mr. Singh asked how much energy is needed for the project.

Ms. Lima stated that she did not have the information at hand but would send the information to the Commission.

Mr. Singh asked how many out-patients the cancer unit would accommodate.

Ms. Lima stated that there would be 70 in-patient beds in the first phase, the out-patient program in the second phase which has not yet been programmed. Ms. Lima stated that they would need to go through a programming process to figure out what will stay at Mt. Zion and what would move to Mission Bay for the out-patient side.

Ms. Covington stated that she too felt that the design was appealing and that UCSF is a very important presence in the city. Ms. Covington stated that she received the Mission Bay community task force document, and asked if there were any members in the Bayview Community that were represented in the Task force.

Ms. Lori Yamauchi, Assistant Vice-Chancellor Campus Planning, stated that her office worked with the task force on the planning principles and stated that there were two members of the Bayview Task Force.

Ms. Covington stated that she did not see their names listed under the UCSF Mission Bay Community Task Force Members.

Ms. Yamauchi indicated that she was going to check as to why they are not listed.

Ms. Covington stated that the 180 bed Children's Hospital is delightful to look at and hopes there is an asthma specialty at that hospital because many of the children from the Bayview are affected by high asthma numbers. Ms. Covington stated that she is having a problem with the affordable housing component of the project and asked why the Agency is not building affordable housing on the parcels.

Ms. Neches stated that the Agency would receive, over time, approximately 12.2 acres of land in Mission Bay South for affordable housing development throughout the residential area. The Agency recently issued an RFP on the first agency affordable housing site in Mission Bay South that is moving forward. The goal of the agreements that are being entered into is a financing mechanism, a way to get UCSF to pay its fair share to make up for the lost tax increment that resulted from their acquisition of property that had previously been expected to be for private development which would have generated tax increment. Ms. Neches indicated that with UCSF acquiring the property for the hospital reduces the amount of property taxes, therefore, reduce the Agency's

ability to fund the projects; UCSF is essentially making up the decrease in tax increment by agreeing to building the projects, but due to the limitations of their own statutes in terms of their use of funds, they need to focus their housing on their own employees. Ms. Neches indicated that by UCSF moving forward with the two projects which would be at approximately the same period that the Agency would be moving forward on its housing projects, it would expedite the delivery of affordable housing for the City as a whole, as well as for the subset of UCSF employees within Mission Bay.

Commissioner Covington asked for the total number of units of housing.

Ms. Neches stated that the total number of affordable housing in Mission Bay South would be 1,100 units out of the 3,000 units overall in Mission Bay South. Of the 1,100 units, UCSF would develop 237 units.

Commissioner Covington expressed her concern that 237 units of housing that no one else could apply for other than UCSF employees, and at the same time, the other units of housing being built that everyone else can apply for including UCSF employees. Ms. Covington stated that there are a lot of people who hold a Certificate of Preference in the City, and also added her concern that UCSF does not have any undergraduate students.

Ms. Neches, in addressing Commissioner Covington's concerns, stated that in the Agency sponsored housing which is the remainder of the 1,100 units in Mission Bay South plus the 752 units in Mission Bay North, are all under the first preference for Certificate of Preference Holders, honored throughout Mission Bay, of which only the 237 UCSF units will not have the Certificate of Preference priority. Secondly, Ms. Neches indicated that the proposed location is not the best affordable site and in negotiating with UCSF, the Agency deliberately did not give them what was one of the best sites, the site given to them is serviceable and would be close to the campus. Lastly, in reference to changes in income, in addition to residents who will be making higher incomes as Doctors, UCSF has thousands of truly low income employees that do not have future earning potential significantly greater than their current earning potential. UCSF will build rental housing which would require yearly recertification of incomes as done with all Agency affordable housing programs, once the income exceeds the allowed limit there is a short transition period and they would have to leave.

Ms. Neches stated if the Agency were to retain the sites to build housing, and not enter into a DDA with UCSF, the Agency would not have all the tax increment for the program as expected. Under the current projections of development in Mission Bay, the Agency will eventually have enough tax increment to build but would take much longer. Ms. Neches stated that under the current program, UCSF would be able to contribute to housing in a way that balances out their development.

Commissioner Covington asked for the figures on the monies coming from UCSF to offset the lack of tax increment.

Ms. Neches stated that when the agency develops housing in Mission Bay, the Agency provides local subsidy which is drawn from the tax increment generated within the Mission Bay private projects. Ms. Neches indicated that the agency enters into long term ground leases with nonprofit housing developers, and then receives rent payments over time from the remaining net operating income referred to as residual receipts that are generated from the housing projects. Ms. Neches indicated that UCSF has paid \$5M for 7 East under the DDA approved in 2005, based on the expected ground lease payments the Agency would have received from that development, and at this time, UCSF has not paid for the property that is the subject of the Term Sheet; what was paid was the property that is the subject of the DDA that was approved by the Commission in 2005.

Commissioner Covington asked how many helicopters are estimated to be flying over Third Street, and what direction will they be coming from.

Ms. Lima stated that she wanted to clarify that the hospital is not a trauma center; the patients they would receive would be of the most critical situations via medical helicopter from facility to facility transfers with projections of 2 transports a day.

Commissioner Swig suggested that the priorities in order should be given to UCSF employees with Certificates of Preference, first and foremost, and then followed by UCSF employees. Mr. Swig indicated that he would like to see that written into the term sheet being approved.

Ms. Neches stated that UCSF agreed to include Mr. Swig's suggestions, and will be included in the DDA.

Ms. Covington asked Ms. Lima if any UCSF staff members have been in contact with Mr. James Fields who is in charge of the Agency's job development, and asked if there have been any discussion in terms of outreach to the larger community in the area for jobs. Ms. Covington asked that UCSF make a concerted effort to get the word out about employment opportunities as they arise.

ADOPTION: IT WAS MOVED BY MS. CHEU, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED, (WITH COMMISSIONERS KING, AND ROMERO ABSENT) THAT RESOLUTION 82-2008, BE ADOPTED.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

ALL MATTERS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE REDEVELOPMENT AGENCY COMMISSION, AND WILL BE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION. THERE WILL BE NO SEPARATE DISCUSSION OF THESE ITEMS UNLESS A MEMBER OF THE COMMISSION OR THE PUBLIC SO REQUESTS, IN WHICH EVENT THE MATTER SHALL BE REMOVED FROM THE CONSENT AGENDA AND CONSIDERED AS A SEPARATE ITEM:

- (a) Approval of Minutes: Meeting of July 10, 2008

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, THAT THE JULY 10, 2008 MINUTES BE ADOPTED.

REGULAR AGENDA

- (b) Commending and expressing Appreciation to Jesse Fontenot for his services on the occasion of his retirement from the Redevelopment Agency of the City and County of San Francisco (Resolution No. 83-2008)

Presenter: Audrey Kay, Agency Staff

Speakers: Rev. Arnold Townsend, Oscar James

Commissioner Breed indicated that she did not have the opportunity to know Mr. Fontenot very well, does know his daughter who has a great personality, a great spirit, and after knowing Mr. Fontenot for the past two years, she understands where she gets it from. Ms. Breed stated that Mr. Fontenot has always been a great person and when she found out the Mr. Fontenot was her father; she was not surprised because he has always greeted her with a smile, always had a positive attitude, and appreciated his service not only to the Agency, but to the City at large. Ms. Breed indicated that she knows that Mr. Fontenot has a very well respected reputation with many community members and wished Mr. Fontenot the best in his retirement.

Commissioner Breed put forth a motion to adopt item 4(b).

Commissioner Singh stated that he has known Mr. Fontenot for many years and always had a smile on his face. Mr. Singh stated that he would be missed and asked for his gumbo recipe.

Commissioner Singh seconded the motion.

Commissioner Cheu stated that she did not have the privilege of having worked with Mr. Fontenot over the last year since she's been on the Commission, but thanked him for his service and commitment and wished him the best.

Commissioner Covington expressed her sincere thanks for Mr. Fontenot's steadfastness and warmth, and all of the many years he served the Agency and the City so well. Ms. Covington shared that Mr. Fontenot gave the Commission a tuxedo clad friendship bag that has a few reminders of friendship, one being a mint "a reminder that you are worth a mint as my friend", Ms. Covington stated to Mr. Fontenot, "right back at you".

Mr. Fontenot stated that the 37 years he worked at the Agency was a great adventure and joy. Mr. Fontenot introduced his wife Barbara and granddaughter and said one of his greatest moments in 1978 was when he became a Maintenance Supervisor and met his wife at the Agency. Mr. Fontenot thanked the Commission and the Agency, with a special recognition to Ms. Audrey Kay, Oscar James, and Ron Westry. Mr. Fontenot stated that not only did he and his staff work the Commission meetings, one of the assignments were to deal with the homeless encampment in getting them out of the property. Mr. Fontenot stated that they never had a problem with getting the homeless out of the property because even though they were homeless, Mr. Fontenot, Mr. James, and Mr. Westry believed in treating them with respect.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 83-2008, BE ADOPTED.

- (c) Authorization of an Amendment to Attachment 10 (Schedule of Performance for Infrastructure Development and Open Space "Build-Out" Schedule of Performance) to the Disposition and Development Agreement-Hunters Point Shipyard Phase I between the Redevelopment Agency of the City and County of San Francisco and Lennar-BVHP, LLC and Adopting Environmental Findings Pursuant to the California Environmental Quality Act; Hunters Point Shipyard Redevelopment Project Area (Resolution No. 84-2008)

Presenter: Stephen Maduli-Williams, Agency Staff

Speakers: Doris Vincent, Al Norman

Mr. Maduli-Williams stated that an updated Attachment 10, Schedule of Performance were in their folders which, (1) reflects the cumulative affects of unavoidable delays on the schedule of performance, and (2) mutual recommendations by the developer and the Agency, and the Agency in consultation with DPW. Mr. Maduli-Williams stated that the updated schedule reflects comments from DPW.

Commissioner Swig put forth a motion to adopt item 4(c) and stated that it is critically important for the development process that the project move forward. Mr. Swig stated that there were other special circumstances with regards to the dust mitigation which is being done correctly for the benefit of the residents, stated that he supported the item and asked his fellow Commissioners to share his enthusiasm.

Commissioner Singh stated that he agreed with Mr. Swig's comments and seconded the motion.

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 84-2008, BE ADOPTED.

- (d) Approving a Variance from the Off-Street Parking Requirement for the Addition of a Two Bedroom Residential Unit to an Existing Residential Structure Located at 2033 Bush Street (Assessor's Block 0676, Lot 026A); Western Addition Redevelopment Project Area A-2 (Resolution No. 85-2008)

Presenter: Gaynell Armstrong-McCurn, Saiful Abedin, Agency Staff

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 85-2008, BE ADOPTED.

- (e) Public hearing on the Draft Environmental Impact Report for the 1450 Franklin Street project; Western Addition Redevelopment Project Area A-2

Presenter: Stanley Muraoka, Agency Staff

Speakers: Pat Lovelock, Robert A. Reingold, Jack Gold,
Rev. Arnold Townsend

Commissioner Swig stated that it is very critical to continue change in the neighborhood and expressed his support in the spirit of the project, and in the spirit of expanding housing opportunities. Mr. Swig expressed his concern about the wind issue and hopes that the character of the building be adjusted architecturally to create setbacks or other needs, and to be conscious of the wind. Mr. Swig also expressed his concern about traffic impact on Franklin Street since it has become an alternative to Van Ness Avenue as an adjunct to Highway 1, and thinks the design should be conscious of that. Mr. Swig stated that he hopes Agency staff and the project developer take all comments into consideration to avoid an already bad situation from becoming worse and what already is a very challenging situation. Mr. Swig stated that the parking issue is a valid problem and suggested that the project provide for more parking since there is no parking available during realistic hours in the neighborhood. Mr. Swig indicated that he hopes his comments and

suggestions are taken constructively, but most importantly, what the public had commented on.

Commissioner Covington inquired as to the outreach efforts in terms of notifying people of the public hearing and those who live in the immediate vicinity.

Mr. Muraoka stated that a mailing of a notice of availability of the EIR was sent out, along with a notice of the public hearing to the Western Addition CAC, and the Western Addition mailing list; notification to all property owners, both residential tenants and business tenants who live within a 300 feet radius immediately surrounding the project were also sent notification; the notice of the public hearing was noticed in the Chronicle, notices of the public hearing in a poster format were posted at the project site and in five locations around the site, and the EIR document along with the notice of the public hearing was posted on the Agency's website.

Commissioner Covington inquired as to whether any additional efforts were given to elderly residents who may not have the physical ability to come out and share their thoughts or opinions at the public hearing.

Mr. Muraoka stated that they were not contacted directly but a notice of preparation and an initial study went out to the community to essentially the same recipients in February. A scoping meeting was held with residents attending or contacting him by phone about their concerns, all of whom were included in the direct mailing of the EIR document. Mr. Muraoka stated that feedback has been primarily in verbal form but due to the rather extensive time frame for the public comments, is encouraging the community to read the document so they understand the environmental impacts being disclosed, and then submit their concerns in writing either by written letter or by submitting an email.

Commissioner Covington asked if there would be any subsequent meetings in the neighborhood or have they concluded.

Mr. Muraoka stated that staff is currently considering locations in the neighborhood for additional meetings and will also scheduled another meeting to go before the Western Addition CAC to elicit comments. Meetings with the Landmarks Preservation Advisory Board and the San Francisco Heritage are in the planning stages.

Commissioner Singh asked how many people attended the meetings.

Mr. Muraoka stated that at the initial scoping meeting for the EIR, roughly a dozen people attend, and for those who were not able to attend, they called and expressed their concerns; a few attendees along with the Landmarks Board and those who attended the Western Addition CAC meeting were the extend the their meetings thus far.

Commissioner Singh stated that he would like the radius to be widened to ensure those close to the 300 radius proximity are also notified.

Mr. Muraoka stated that staff generally follows the City's protocol in terms of the radius notification for items going before the Planning Commission, but if the Commission so desires, staff will do a wider radius.

Commissioner Breed stated that the community generally does not get notices from the Agency or are not actively involved in Redevelopment Agency matters, and should seriously take into consideration as it relates to outreach. Ms. Breed stated that aggressive outreach in the area is in order for this particular case, primarily because of the impact of the area. Ms. Breed indicated that parking is also an issue and stated that it is very dangerous on Franklin Street when trying to park. Ms. Breed also agreed with Mr. Swig's comment on the wind issue and on the matters he brought up, that they should be addressed appropriately but more importantly, that the outreach to the surrounding area is done not just by mailing but more aggressively than normal.

- (f) Workshop on the development program for Block 8 in Zone One of the Transbay Redevelopment Project Area; Transbay Redevelopment Project Area

Presenter: Mike Grisso, Agency Staff

Speakers: None

Commissioner Swig stated in regards to the off-ramp, the current off-ramp has three lanes of traffic with the other off-ramp to Fremont also having three lanes, asked if that meant that six lanes of traffic would be cut down to three.

Mr. Grisso stated for clarification purposes that access to the neighborhood is not being reduced; the two lane off-ramp that currently exists going towards Folsom Street will be reduced to one lane which was a temporary off-ramp due to the Harrison St. off-ramp closed during the Bay Bridge retrofit work, that there will be more access in terms of off-ramps than there is now, and is confident that the realignment will not have any detrimental affect on access to the neighborhood. Mr. Grisso stated that a Traffic analysis is being conducted by the Caltrans.

Commissioner Swig expressed his concern with terminal gridlock, both commercial and residential residents being subjected to gridlock. Mr. Swig stated that the plan in general is very positive and well thought out but is very concerned about gridlock.

Mr. Grisso suggested that there be a future workshop to give further details about the traffic study.

Commissioner Cheu asked if the Caltrans study is available in an executive summary format.

Mr. Grisso indicated that he would be provided a summary of the study to the Commission.

Commissioner Covington asked Mr. Grisso for a description of each element.

Mr. Grisso stated that all buildings are residential with ground floor retail on Folsom Street; the tower would be a 550 feet market rate project with 15% affordable inclusionary housing in the tower and townhouses. Each block will contain two podium buildings which are standard multi-family buildings at 65-85 ft., 6 – 8 stories, stand alone, 100% affordable projects. In the case of Block 8, there will be family housing.

Commissioner Covington asked what stand alone meant.

Mr. Grisso stated that they would be next to the tower but would not be internally connected, but will have some shared facilities such as the parking garage and the open space but with separate entrances, separate management, and separate pricing.

Commissioner Covington asked if each element would have a separate developer.

Mr. Grisso stated that the RFP states that the development team will have both a market rate developer for the tower and townhouses, and a non-profit affordable housing developer for the podiums. Mr. Grisso indicated that there might be a possibility that a market rate developer may propose to do the entire project that also does non-profit housing.

5. MATTERS NOT APPEARING ON AGENDA: NONE

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS: NONE

7. REPORT OF THE PRESIDENT:

- Extended her thanks and appreciation to her Fellow Commissioners for the last few meetings that have been extremely lengthy, thanked them for their diligence, and stated that a lot has been accomplished.
- A series of community meetings scheduled to address the questions and concerns raised at the Special Commission meeting on the Western Addition Transition Plan which was held on July 10th. The first community meeting is scheduled for Tuesday, August 26, 2008 from 6pm – 9pm at the Westbay Conference Center, located at 1290 Fillmore Street. The topics for discussion will be land use jurisdiction, disposition of the remaining agency owned parcels and non agency parcels, existing agreements (LDA & OPA's), and legislative actions. Announcements will be made on KPOO and notices will be sent to the community.

8. REPORT OF THE EXECUTIVE DIRECTOR:

- Informational Memorandum on an update of the affordable housing program in Mission Bay
- Informational Memorandum on an update the proposals received on 1000 Fourth Street
- Informational Memorandum that the Agency is now officially referring large scale projects and new projects requiring entitlements for the Western Addition A-2 to the Planning Department

9. COMMISSIONERS' QUESTIONS AND MATTERS:


- Commissioner Breed stated that the goal in having the series of community meetings is to address concerns from the community because there was a lot of confusion as to what the transition actually meant. The series of meetings will be addressing issues involving streetscape, certificate of preference program, housing matters, and give each element full attention to address questions and matters at the meetings. Ms. Breed stated that since the Agency will no longer have planning jurisdiction over the Western Addition, the Planning Dept., which is the governing body for planning matters as it relates to the city, will have jurisdiction over the Western Addition, that will be discussed at the meeting as to what that transition means to residents of the A2 area.
- Mr. Blackwell stated in reference to meeting in the community, staff is also attending to other meetings being held such as the meeting held at the Japantown Task Force the other evening and stated if anyone would like to invite the Agency or attend their meeting to discuss the transition plan to please contact the Agency's main number at 749-2400 or contact Gaynell Armstrong-McCurn, Project Manager for the Western Addition.

10. **CLOSED SESSION:** None.

11. **ADJOURNMENT:**

It was moved by Commissioner Cheu, seconded by Commissioner Breed, and unanimously carried that the meeting be adjourned at 7:05 p.m.

Respectfully submitted,


Gina E. Solis
Agency Secretary

ADOPTED:

September 2, 2008

**MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
19th DAY OF August 2008**

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 19th day of August 2008, at the place and date duly established for holding of such a meeting.

President Francee Covington called the meeting to order at 4:00 p.m.

Ms. Covington welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Ms. Covington asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Ms. Covington stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Francee Covington, President
Linda Cheu
Leroy King
Ramon E. Romero
Darshan Singh
Rick Swig

DOCUMENTS DEPT.

SEP - 4 2008

The following were absent:

SAN FRANCISCO
PUBLIC LIBRARY

London Breed, Vice President (arrived at 4:10 p.m.)
Ramon Romero

Fred Blackwell, Executive Director, and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. No Reportable Action.

3. MATTERS OF UNFINISHED BUSINESS. None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- (a) Approval of Minutes: Meeting of July 15, 2008

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (WITH MS. CHEU ABSTAINING, MS. BREED AND MR. ROMERO ABSENT), THAT THE MINUTES OF JULY 15TH WILL BE ADOPTED.

REGULAR AGENDA

- (b) Authorizing the Executive Director to take certain actions related to Lennar's satisfaction of the "Partner Requirement" under the Phase 2 ENA by bringing on additional partners with experience and financial capabilities beneficial to the development of Phase 2 of the Hunters Point Shipyard and Candlestick Point and assigning and amending certain rights and obligations under the Phase 1 DDA to such additional partners; Hunters Point Shipyard Redevelopment Project Area (Resolution No. 86-2008)

Presenters: Stephen Maduli-Williams, Agency Staff, Michael Cohen,
Mayor's Office of Economic & Workforce Development, Kofi
Bonner, Lennar

Speakers: Espanola Jackson, Christopher Muhammad, Al Norman

Commissioner Covington asked Mr. Cohen to simplify in layman's terms items 4 and 5, related to the right of the reverter.

Mr. Cohen stated that under California Redevelopment Law, Redevelopment Agencies have the ability when they enter into transactions with developers, to have as a remedy in the event of a default, the ability to take the property back, principally to make sure that an agreement is not entered into where the developer sits on the land for 20 years. Mr. Cohen stated that the reason for these agreements is in creating whatever the public benefits is, whether it be affordable housing, parks, jobs, etc. Under the DDA there is a provision that indicates that the right of the reverter goes away when the infrastructure is complete, in this case the infrastructure is about 75% complete. For the new partners, the idea of investing a lot of money into a project and perhaps seeing the land go away is extremely disconcerting. Mr. Cohen indicated that he wanted to clarify a few things; (1) make sure it was clear that the rights of reverter are subject to customary cure rights; an extraordinary remedy that you would have to go to court to exercise it, but the development partners have extremely robust rights to cure the default, the remedy is exercised, (2) because it goes away as it is drafted when the infrastructure is complete to give the investors greater comfort to say if you are willing to post a bond that

is two times what the Executive Director, in his discretion estimates to be the completion value, that would give them greater comfort – will have cash in hand that allows them to make sure the project is completed which is the trigger as the documents are currently drafted to release the right of reverter.

Commissioner Swig stated that he echoed Mr. Maduli-Williams' view that this is an exciting day with exciting news. Mr. Swig indicated that this was one of the most exciting real estate projects in the entire country and with the news, enabling financial varsity, the team of top experts in the field of real estate, especially with regard to special real estate that has Brownfield issues. Mr. Swig stated that it forms a solid team, and as Mr. Cohen indicated, the project with the addition of the Candlestick area has become larger, more complicated, more expensive, and echoes Mr. Norman's comments that this requires change in direction and expansion of new financial partners and more creativity. Mr. Swig complimented Lennar, the Redevelopment Agency, and the Mayor's Office of Economic Development for figuring out the puzzle and for coming up with a solid solution. Mr. Swig stated that it is a very tough real estate environment where in most cities around the country projects are shutting down and slowing down in San Francisco. By virtue of the fact that this team has been put together with such significant financial commitments, it is remarkable and shows the potential and excitement that the Shipyard/Candlestick project proceeds.

Commissioner Swig put forth a motion to adopt item 4(b), with great enthusiasm. Mr. Swig stated, in regard to the potential partner profiles, that it is important and as a comfort to the community, that Director Blackwell use extra care in the due diligence process to make it clear to the community in a quantitative fashion, that the new partners are financially substantive, and that the residents are comfortable that they are the right partners and have financial strength. Mr. Swig asked his fellow Commissioners to support the item.

Commissioner Singh stated that he was satisfied with Mr. Cohen's presentation and understands the difficulty in the real estate market, and believes it will be a good partnership. Mr. Singh seconded the motion.

Commissioner Cheu agreed that it is an exciting opportunity and inquired as for more details on the community benefits package, the issue of Lennar's capacity, and plans to communicate with the PAC.

Mr. Cohen stated that there are two sets of agreements, Phase I DDA which 75% of the work is done on the horizontal, all community benefits will remain the same; secondly, the ENA for Phase 2 of the Shipyard and the rest of Candlestick, specific development rights have not yet been granted. Lennar has entered into a community benefits agreement with labor as well as other community organizations including ACORN and ASOP, of which no requirements will change. Mr. Cohen pointed out that more than nine months ago, the requirement of bringing additional partners into the project in May 2007 was because the project got bigger, the complexity of the project, a

major retail component which is an area of expertise that Lennar did not have, different set of infrastructure issues, and as a matter of good public policy, they wanted to diversify the pool of financial resources coming into it. Mr. Cohen read the following in reference to Lennar's financial condition, from the Wall Street analyst, "Lennar has better liquidity and cash reserves than most of the publicly traded home builders", they get a lot of credit from Wall Street for having seen the sub prime credit crunch early and to begin to right size their business, and as one analyst put it to Mr. Cohen, "when the market begins to up-tic, Lennar will be a hunter, not a hunted", meaning they are perceived as being a company that has very strong long term capability. Mr. Cohen stated that they have had a number of conversations with the CAC about the changes, in particular to the Phase 1 DDA, under the Phase 2 ENA, that is a requirement that when the PAC and CAC approved the conceptual framework in the ENA, that was included in it, and have meetings scheduled.

Commissioner King stated that when the project came before the Commission, the community came out and supported Lennar overwhelmingly, and the Commission voted unanimously to select Lennar the developer for the project. Mr. King stated he did not understand the tactic that people just determine that they want to stop the project for no reason at all. Mr. King stated that if the Agency loses this project, all of San Francisco would lose. Mr. King stated that some people in the audience have a personal vendetta because they lost some other fight and hopes that the Commission votes for the item unanimously and moves the project forward.

Commissioner Breed stated that she also echoed Mr. Swig's comments that the partners provide more information on their profit and financial stability, and in addition, wanted to make sure that the PAC and CAC have access and support to address the matters prior to the matters coming before the Commission. Ms. Breed asked about job opportunities.

Mr. Cohen stated that Lennar has workforce training and job hiring obligations for Phase I which they have fulfilled. Mr. Cohen stated that the boom in job generation is when the project becomes vertical, when 1,500 homes are being built; jobs for carpenters, electricians, architects, etc., on the construction side is the CityBuild Program. Mr. Cohen stated that over the span of 15 years, there would be close to 10,000 permanent jobs, and over 10,000 construction jobs will come from Phase 2. Lennar committed to \$8.5M of workforce dollars which the Mayor's Office of Economic Workforce is going to match, \$17M in workforce training to make sure people are job ready over the 15 year build out of the project. Mr. Cohen suggested that a workshop be held with the Director of Workforce Development on the broader thinking on the workforce development plans for Phase 2.

Commissioner Covington stated that she too echoed her fellow Commissioners excitement on the exciting news of the partnership and asked that not only the Redevelopment Agency, but Ms. Simmons, when she comes before the Commission to discuss the workforce plan, to concentrate on jobs

that lead to careers. Ms. Covington stated that it was a good opportunity to begin training of a substantial number of people in white collar careers which should also be open to young people as much as possible, and would like to include outreach to the various colleges and universities in the area that may need interns and how they can get from point A to point B academically with the community members.

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 86-2008, BE ADOPTED.

Items 4(c) and 4(d) were presented together, but acted on separately.

- (c) Resolution No. 87-2008, Authorizing a Master Lease with the United States Department of the Navy for buildings 103, 104, 115, 116, 117, 125 and associated land for a period of three years; Hunters Point Shipyard Redevelopment Project Area

Presenter: Audrey Kay, Agency Staff

Speakers: Archbishop King
Christopher Muhammad

Commissioner Covington inquired as to how much the Agency has spent on maintaining the properties.

Ms. Kay stated that she did not have the amount of cost savings available and would forward the information to the Commission.

Commissioner Covington asked for details on how they would maintain the properties.

Ms. Kay stated that it would be minimal and stated that Buildings 115, 116 and 125 are maintained by the Navy, and the rest of the buildings are maintained by the Point. The rent paid to the Agency by the Point goes towards maintaining the common areas and security. The Point would be responsible for maintenance costs at this time, and then turned over to Lennar in the future.

Mr. Blackwell stated for clarification purposes that until the Navy transfers land and conveys it to the Agency, the Navy is responsible for the maintenance, and staff will look into what the savings are but projects that it would not be much since the Agency has not been responsible for maintenance until the conveyance.

Commissioner Covington inquired as to the uses of Buildings 323, 366, and 435.

Ms. Kay stated that those buildings were used by metal workers who dealt with flammable materials and have moved from the building.

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED, (WITH MR. ROMERO ABSENT) THAT RESOLUTION NO. 87-2008, BE ADOPTED.

- (d) Resolution No. 88-2008, Authorizing a First Amendment to the Interim Lease with Lennar/BVHP, LLC, a California limited liability company, to include buildings 103, 104, 115, 116, 117, 125 and associated land in the lease premises and make certain amendments; Hunters Point Shipyard Redevelopment Project Area

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED, (WITH MR. ROMERO ABSENT) THAT RESOLUTION NO. 88-2008, BE ADOPTED.

- (e) Resolution No. 89-2008, Authorizing a Tax Increment Loan Agreement with Geary Housing Partners, L.P., a California limited partnership, in an amount not to exceed \$11,803,988, in conjunction with the development of 150 units of affordable senior rental housing at 3575 Geary Boulevard for very low-income seniors; and adopting environmental findings pursuant to the California Environmental Quality Act; Citywide Tax Increment Housing Program

Presenter: Anne Romero, MOH staff

Speakers: None

Commissioner Swig stated that he has had some experience with the IOA and indicated that they are an extraordinary organization that deserves all the community support along with Gary Housinger of Bridge Housing Corp. who has great credibility in the community. Mr. Swig put forth a motion to adopt item 4(e) and stated that he had an add on in reference to the Certificate of Preference Program. Mr. Swig stated that he wanted to make sure that there is a direct linkage in the resolution to the Certificate of Preference Program. Mr. Swig moved the item with that consideration.

Commissioner Breed seconded the motion.

Commissioner Cheu stated that she supported the project and asked if the services would be free of charge to the tenants living at the building.

Mr. Ken Donnaley stated that most of the tenants would qualify under Medicare and Medical and they would seek reimbursement for those sources, they would not come from the residents.

Commissioner Covington asked Director Blackwell to explain for the listening audience how the particular item came before the Commission for approval since the project is not in a Redevelopment Project area.

Director Blackwell stated that the funding stream for the project is citywide tax increment and in order to assist the city with its substantial budget constraints, the Agency made a request to draw down additional tax increment at the end of the fiscal year to maximize the savings to the general fund. Mr. Blackwell stated that one aspect was to draw down, and the other aspect was that it was agreed to finance some of the projects that were in the pipeline that were to be funded from the general fund or from the hotel tax fund to alleviate the pressure from the general fund. The project was approved conceptually during the budget process and also represents a partnership with the City to help address significant budget constraints.

Commissioner Covington asked if there were any other projects of this type coming before the Commission this year.

Mr. Olson Lee, Agency Staff, stated that this would be the only project from the general fund, and since it was a large loan amount they were able to put it into one project. Mr. Lee clarified that the Certificate of Preference program requirement is always in any project funded with citywide tax increment. Mr. Lee indicated that even though the City has not adopted the extension of the Certificate of Preference Program to the Section 315 or inclusionary units or other MOH funded projects, anything that has citywide tax increment also carries the responsibility to serve the Certificate of Preference Holders.

Ms. Covington stated that she wanted to make sure there was outreach to the Certificate of Preference Holders in particular to this development since there are many elderly Certificate of Preference Holders.

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED, (WITH MR. ROMERO ABSENT) THAT RESOLUTION NO. 89-2008, BE ADOPTED.

- (f) Resolution No. 90-2008, Authorizing a First Amendment to the Personal Services Contract with MJM Management Group, Inc., a California Corporation, and San Francisco Clean City Coalition, a Nonprofit Public Benefit Corporation, extending the contract term for six months to February 28, 2009, and increasing the contract amount by \$75,000, for a total aggregate amount not to exceed \$525,000, for steam cleaning, graffiti removal, tree maintenance and related services for the Sixth Street Corridor Improvement Program; South of Market Redevelopment Project Area

Presenter: Mike Grisso, Agency Staff

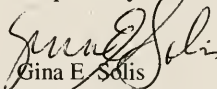
Speakers: Antoinetta III

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 90-2008, BE ADOPTED.

5. **MATTERS NOT APPEARING ON AGENDA:** NONE
6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS:** NONE
7. **REPORT OF THE PRESIDENT:** NONE
8. **REPORT OF THE EXECUTIVE DIRECTOR:** NONE
9. **COMMISSIONERS' QUESTIONS AND MATTERS:** NONE
10. **CLOSED SESSION:** Pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiators regarding the price and terms of payment for the conveyance of Parcel 725C, lot 26 of block 725 located at Fillmore and Ellis Streets, in the Western Addition A-2 Approved Redevelopment Project Area. The party with whom the Agency would negotiate with is Safeway, Inc. A California for Profit Corporation. Agency negotiators: Fred Blackwell, Tracie Reynolds, Andrico Penick, Stephen Maduli-Williams, Gaynell Armstrong- McCurn, Andrea Baker, and Michele Davis, and Su-Syin Chou to negotiate with the City and County of San Francisco.
11. **ADJOURNMENT:**

It was moved by Commissioner Covington, seconded by Commissioner Breed, and unanimously carried that the meeting be adjourned at 6:05 p.m.

Respectfully submitted,


Gina E. Solis
Agency Secretary

ADOPTED:

September 2, 2008

**MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
2nd DAY OF SEPTEMBER 2008**

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 2nd day of September 2008, at the place and date duly established for holding of such a meeting.

President Francee Covington called the meeting to order at 4:00 p.m.

Ms. Covington welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Ms. Covington asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Ms. Covington stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Francee Covington, President
Linda Cheu
Leroy King
Ramon E. Romero
Darshan Singh
Rick Swig

The following Commissioners were absent:

London Breed, Vice President

Fred Blackwell, Executive Director, and staff members were also present.

- 2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** No Reportable Action.
- 3. MATTERS OF UNFINISHED BUSINESS.** None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- (a) Approval of Minutes: Meeting of August 5, 2008
- (b) Approval of Minutes: Meeting of August 19, 2008

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. KING, (WITH MR. ROMERO ABSTAINING FOR THE MEETING OF AUGUST 5, 2008), AND UNANIMOUSLY CARRIED, WITH MS. BREED ABSENT, THAT CONSENT AGENDA ITEM 4(a) APPROVAL OF MINUTES FOR THE MEETING OF AUGUST 5, 2008, AND CONSENT AGENDA ITEM 4(b), APPROVAL OF MINUTES FOR THE MEETING OF AUGUST 19, 2008, BE ADOPTED.

REGULAR AGENDA

Agenda Items 4 (c) – 4(f) are related, were presented together, but acted upon separately

Public hearing for change proceedings relating to Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Phase One Improvements); Hunters Point Shipyard Redevelopment Project Area

President Covington stated the following:

“This is the time and place for the public hearing for change proceedings relating to Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements). The hearing is to inquire into the proposed amendment and restatement of the Rate and Method of Apportionment of Special Tax for the District, the proposed increase in the annual appropriations limit and the proposed increase in the maximum principal amount of bonded indebtedness that may be issued for the District.”

President Covington stated before she formally opened the public hearing, if there were any property owners or registered voters in the Community Facilities District No. 7 who wished to file written protests. For the record, there were no written protests.

President Covington then opened the hearing for any comments, questions, or protests from anyone in the audience.

Speakers: Francisco Da Costa

- (c) Resolution No. 91-2008, Calling special election to amend and restate the Rate and Method of Apportionment of special tax, increase the authorized principal amount of bonded indebtedness and increase the annual appropriations limit for Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements); Hunters Point Shipyard Redevelopment Project Area

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 91-2008, BE ADOPTED.

Commissioner President stated that the Commission Secretary was in receipt of two ballots relating to the Special Election, Item (c), and asked that she open the ballots and announce the results of the property owner votes. The Commission Secretary opened the ballots and stated that 67 votes were cast in favor of the proposed changes, and no votes were cast against the measure.

President Covington stated the record shows that at least 2/3rds of the property owner votes are in favor of the proposed changes.

- (d) Resolution No. 92-2008, Declaring results of special election to amend and restate the Rate and Method of Apportionment of special tax, increase the authorized principal amount of bonded indebtedness and increase the annual appropriations limit for Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements); Hunters Point Shipyard Redevelopment Project Area

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SWIG, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 92-2008, BE ADOPTED.

- (e) Resolution No. 93-2008, Declaring completion of change proceedings for Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) and approving certain related documents; Hunters Point Shipyard Redevelopment Project Area

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SWIG, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 93-2008, BE ADOPTED.

- (f) Ordinance No. 1-2008, Adopting a Redevelopment Ordinance levying special taxes within the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard

Phase One Improvements) and rescinding Ordinance No. 1-2005; Hunters Point Shipyard Redevelopment Project Area

INTRODUCED: IT WAS MOVED BY MS. CHEU, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, THAT ORDINANCE NO. 1-2008, BE INTRODUCED.

President Covington stated that the change proceedings relating to Community Facilities District No. 7 were complete.

- (g) Public hearing relating to formation of Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 8 (Hunters Point Shipyard Phase One Maintenance); Hunters Point Shipyard Redevelopment Project Area

President Covington stated the following:

“This is the time and place for the public hearing relating to formation of Community Facilities District No. 8 (Hunters Point Shipyard Phase One Maintenance). The hearing is to inquire into the formation of the District and the levy of special taxes to finance certain open space maintenance services in the District. As described in the staff presentation, there is a proposed change in the definition of services that may be financed from special taxes levied in the District, to include maintenance of certain retaining walls, and that this change is reflected in the Community Facilities District Report on file with the Secretary.”

President Covington stated before she formally opened the public hearing, if there were any property owners or registered voters in the Community Facilities District No. 8 who wished to file written protests.

For the record, there were no written protests.

President Covington then opened the hearing for any comments, questions, or protests from anyone in the audience.

Speakers: Francisco Ad Costa, Espanola Jackson

- (g) Resolution No. 94-2008, Forming Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 8 (Hunters Point Shipyard Phase One Maintenance); Hunters Point Shipyard Redevelopment Project Area.

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 94-2008, BE ADOPTED.

- (h) Resolution No. 95-2008, Calling special landowner election for

Redevelopment Agency of the City and County of San Francisco
Community Facilities District No. 8 (Hunters Point Shipyard Phase One
Maintenance); Hunters Point Shipyard Redevelopment Project Area

Commissioner President stated that the Commission Secretary was in receipt of two ballots relating to the Special Election, Item (c), and asked that she open the ballots and announce the results of the property owner votes.

The Commission Secretary opened the ballots and stated that 67 votes were cast in favor of the proposed changes, and no votes were cast against the measure.

President Covington stated the record shows that at least 2/3rds of the property owner votes are in favor of the proposed changes.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 95-2008, BE ADOPTED.

- (i) Resolution No. 96-2008, Declaring results of special landowner election and directing recording of notice of special tax lien in Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 8 (Hunters Point Shipyard Phase One Maintenance); Hunters Point Shipyard Redevelopment Project Area.

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MS. CHEU, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 96-2008, BE ADOPTED.

- (j) Ordinance No. 2-2008, Adopting a Redevelopment Ordinance levying special taxes within the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 8 (Hunters Point Shipyard Phase One Maintenance); Hunters Point Shipyard Redevelopment Project Area

INTRODUCED: IT WAS MOVED BY MS. CHEU, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED, THAT ORDINANCE NO. 2-2008, BE INTRODUCED.

President Covington stated that the change proceedings relating to Community Facilities District No. 7 were complete.

- (k) Resolution No. 97-2008, Amending the Agency Housing Participation Policy to make certain changes in conformance with Section 315 of the Planning Code of the City and County of San Francisco; All Redevelopment Project Areas

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. CHEU, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 97-2008, BE ADOPTED, AS AMENDED.

Presenter: David Sobel, Agency Staff

Speakers: Jim Helfrich, David Silverman

- (l) Resolution No. 98-2008, Authorizing a First Amendment to the Owner Participation Agreement, currently assigned to 72 Townsend LLC, a California limited liability company, to extend the schedule of performance and modify other terms for the development of a 74-unit residential project at 64-72 Townsend Street and adopting environmental findings pursuant to the California Environmental Quality Act; Rincon Point–South Beach Redevelopment Project Area

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 98-2008, BE ADOPTED.

Presenter: Angela Heyward, Agency Staff

Speakers: None

- (m) Resolution No. 99-2008, Authorizing a Three-Year Personal Services Contract with Elation Systems, a California Corporation and a Web-Based Labor Compliance System, to upgrade the Agency's Contract Compliance Labor Standards and Workforce Development Reporting System in an amount not to exceed \$200,000.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 99-2008, BE ADOPTED.

Presenter: James Fields, Agency Staff

Speakers: None

- (n) Resolution No. 100-2008, Authorizing a Letter Agreement with the Mayor's Office of Community Investment, in an amount not to exceed \$585,000, for the administration of a façade and tenant improvement program for the Third Street commercial corridor as part of the larger citywide SF Shines Façade Improvement Program, from September 2, 2008 to September 1, 2009; Bayview Hunters Point Redevelopment Project Area B.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 100-2008, BE ADOPTED.

Presenter: Lisa Zayas-Chien, Agency Staff

Speakers: None

- (o) Resolution No. 101-2008, Authorizing a Letter Agreement with the Department of Public Works of the City and County of San Francisco in an amount not to exceed \$167,375 for construction of public right-of-way repairs adjacent to 1121 Oakdale Avenue; Bayview Hunters Point Redevelopment Project Area (Area A)

ADOPTION: IT WAS MOVED BY, SECONDED BY, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 101-2008, BE ADOPTED.

Presenter: Kevin Masuda, Agency Staff

Speakers: None

- (p) Resolution No. 102-2008, Authorizing a License Agreement with The Regents of the University of California, San Francisco for use of the kayak storage building located in Mission Creek Park, Parcel NP4; Mission Bay North Redevelopment Project Area.

ADOPTION: IT WAS MOVED BY MS. CHEU, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 102-2008, BE ADOPTED.

Presenter: Amy Neches

Speakers: None

- (q) Workshop on the Schematic Design of 474 Natoma Street, South of Market Redevelopment Project Area

Presenter: Lucia Mele, Agency Staff

5. **MATTERS NOT APPEARING ON AGENDA:** None

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

Allen White

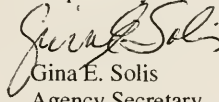
7. **REPORT OF THE PRESIDENT:**

- Announced the 60th Anniversary of the San Francisco Redevelopment Agency

11. **ADJOURNMENT:**

It was moved by Commissioner Covington, seconded by Commissioner Cheu, and unanimously carried that the meeting be adjourned at 7:10 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Gina E. Solis", written over the printed name.

Gina E. Solis
Agency Secretary

ADOPTED:

September 16, 2008

**MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
16TH DAY OF SEPTEMBER 2008**

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 16th day of September 2008, at the place and date duly established for holding of such a meeting.

President Francee Covington called the meeting to order at 4:00 p.m.

Ms. Covington welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Ms. Covington asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Ms. Covington stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Francee Covington, President
London Breed, Vice President
Leroy King (arrived at 4:11)
Ramon E. Romero
Darshan Singh (arrived at 4:11)
Rick Swig

DOCUMENTS DEPT.

The following were absent:

Linda Cheu

OCT 10 2008

SAN FRANCISCO
PUBLIC LIBRARY

Fred Blackwell, Executive Director, and staff members were also present.

- 2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** No Reportable Action.
- 3. MATTERS OF UNFINISHED BUSINESS.** None

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

President Covington, at the request of Vice President Breed, asked that Item 4(b) be moved from the Consent Agenda to the Regular Agenda.

- (a) Approval of Minutes: Meeting of September 2, 2008
- (b) Amending the Fillmore Jazz Preservation District Community Benefits Fund Grant Program to authorize the Executive Director to select members of the Grant Selection Committee; Western Addition Redevelopment Project Area A-2. (Resolution No. 103-2008) **(AT THE REQUEST OF COMMISSIONER BREED, ITEM 4(b) MOVED FROM CONSENT TO THE REGULAR AGENDA)**
- (c) Authorizing a Second Amendment to the Personal Services Contract with McCoy's Patrol Service, a California corporation, to extend the term for three months to December 31, 2008 and increase the contract amount by \$85,700, for a total aggregate amount not to exceed \$1,140,700 (which amount shall be paid with non-Agency funds), to provide security services at Hunters Point Shipyard; Hunters Point Shipyard Redevelopment Project Area. (Resolution No. 104-2008)
- (d) Approving a Variance to the Western Addition A-2 Redevelopment Plan Parking Requirement for the proposed tenant improvement at 2211 Bush Street; Western Addition Redevelopment Project Area A-2. (Resolution No. 105-2008)

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED, (WITH THE EXCEPTION OF ITEM 4(b)), THAT CONSENT AGENDA ITEMS 4(a), APPROVAL OF MINUTES: REGULAR MEETING OF SEPTEMBER 2, 2008, (NOTE: MS. BREED ABSENT SEPT. 2ND); AGENDA ITEM 4(c), RESOLUTION 104-2008, AUTHORIZING A SECOND AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH MCCOY'S PATROL SERVICE, A CALIFORNIA CORPORATION, TO EXTEND THE TERM FOR THREE MONTHS TO DECEMBER 31, 2008 AND INCREASE THE CONTRACT AMOUNT BY \$85,700, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$1,140,700 (WHICH AMOUNT SHALL BE PAID WITH NON-AGENCY FUNDS), TO PROVIDE SECURITY SERVICES AT HUNTERS POINT SHIPYARD; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, AGENDA ITEM 4(d), RESOLUTION NO. 105-2008, APPROVING A VARIANCE TO THE WESTERN ADDITION A-2 REDEVELOPMENT PLAN PARKING REQUIREMENT FOR THE PROPOSED TENANT IMPROVEMENT AT 2211 BUSH STREET; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

NOTE: Commissioner's King and Singh arrived at this time.

REGULAR AGENDA

(Item 4(b) requested by Commissioner Breed that it be taken off Consent Agenda and moved to the Regular Agenda)

- (b) Resolution No. 103-2008, Amending the Fillmore Jazz Preservation District Community Benefits Fund Grant Program to authorize the Executive Director to select members of the Grant Selection Committee; Western Addition Redevelopment Project Area A-2.

Presenter: Andrea Baker, Agency Staff

Speaker: Ace Washington

Commissioner Romero put forth a motion to adopt item 4(b).

Commissioner Breed seconded Commissioner Romero's motion to adopt item 4(b).

Commissioner Covington stated that the supporting materials that were included under item 4(b), objectives of the Grant Program as well as funding the Grant Program still showed the figure of \$15,000, and requested staff to update the amount to reflect the \$25,000 as stated in the staff report under Executive Summary, as recommended and approved by the Commission at a previous meeting. Ms. Covington also inquired as to whether those who wished to serve on the Grant Selection Committee would be precluded from applying for a grant.

Ms. Baker stated that those who serve on the Grant Selection Committee would not be eligible to apply for a grant.

Commissioner Covington asked her fellow Commissioners for two volunteers to serve in the positions representing the Commission on the Grants panel.

Commissioner Swig stated that it would be a great pleasure to volunteer.

Commissioner Breed seconded Mr. Swig's volunteering to be on the Grant Selection Committee, and stated that she too would volunteer.

Commissioner Singh stated that he was also interested in volunteering.

Commissioner Romero stated that since there were three volunteers, in the event a Commissioner is not able to attend a meeting, would the third volunteer be able to fill in for a Commissioner that is not able to attend a particular meeting.

Commissioner Covington stated, in the order of which the Commission volunteered, that being Commissioner Swig, and Commissioner Breed as Committee Members of record, and Commissioner Singh as an alternate.

All Commissioners approved.

Commissioner Covington stated that there to be oversight on the names of the people who are going to be selected for the Grant Selection Committee, and recommended that the President and Vice President vet the names with the Executive Director. Ms. Covington asked her fellow Commissioners for feedback on her suggestion.

Commissioner Swig stated that it was a prudent and wise direction. All were in agreement.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED, (WITH MS. CHEU ABSENT) THAT AGENDA ITEM 4(b), RESOLUTION NO. 103-2008, AMENDING THE FILLMORE JAZZ PRESERVATION DISTRICT COMMUNITY BENEFITS FUND GRANT PROGRAM TO AUTHORIZE THE EXECUTIVE DIRECTOR TO SELECT MEMBERS OF THE GRANT SELECTION COMMITTEE; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

Agenda Items 4(e) and 4(f) were presented together, but acted on separately.

- (e) Ordinance No. 1-2008, Adopting a Redevelopment Ordinance levying special taxes within the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) and rescinding Ordinance No. 1-2005; Hunters Point Shipyard Redevelopment Project Area
- (f) Ordinance No. 2-2008, Adopting a Redevelopment Ordinance levying special taxes within the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 8 (Hunters Point Shipyard Phase One Maintenance); Hunters Point Shipyard Redevelopment Project Area

Presenter: Amy Neches, Agency Staff

Speakers: Francisco Da Costa, Dorris Vincent

Commissioner Swig put forth a motion to adopt item 4(e).
Commissioner Romero seconded the motion.

Commissioner Breed asked if the two items went before the Bayview Hunters Point PAC prior to coming to the Commission for adoption.

Ms. Neches stated that the reference in the resolution was referring to the formal public process undertaken by the Commission; notices were published as required, a public hearing was held, and a land owner election was held. Ms. Neches stated that Mr. Thor Kaslofsky, Acting Project Manager for the Hunters Point Shipyard stated that he has discussed this with the HPSY CAC members a week ago. Ms. Neches stated that the special tax does not apply to the general public; it only applies to new projects within Parcel One of the Hunters Point Shipyard.

Commissioner Covington stated that it is essential that staff meets with the HPSY CAC and PAC even though they do not having any voting authority, which it rests with the people who are current property owners in the area. Ms. Covington stated that it would be good public relations for the people who have volunteered all of their time over the years that they are informed of these matters that come before the Commission.

Commissioner Romero stated the BVHP PAC is a very active, well organized, well lead PAC, and has not voted on anything in this particular project area that was not approved by the PAC and does not see any reason to delay the item.

Commissioner Swig stated that part of the issue was that Ms. Breed was not at the last session when this item was discussed, and had she been in attendance, she would have experienced that there was no community issue on the item, believes at that time the Commission had the opportunity of fully discuss the item and ferreting out any issues they may have had on a community standpoint or from a Commission standpoint. Ms. Swig stated that he would like to pass the item but also suggested that staff and the Executive Director be more proactive to make sure that the item be fully explained to the PAC and be given the opportunity of getting the education about the item. Mr. Swig stated that he would like to move the item forward.

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED, (WITH MS. CHEU ABSENT) THAT AGENDA ITEM 4(e), ORDINANCE NO. 1-2008, ADOPTING A REDEVELOPMENT ORDINANCE LEVYING SPECIAL TAXES WITHIN THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO COMMUNITY FACILITIES DISTRICT NO. 7 (HUNTERS POINT SHIPYARD PHASE ONE IMPROVEMENTS) AND RESCINDING ORDINANCE NO. 1-2005; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED, (WITH MS. CHEU ABSENT) THAT AGENDA ITEM 4(f), ORDINANCE NO. 2-2008, ADOPTING A REDEVELOPMENT ORDINANCE LEVYING SPECIAL TAXES WITHIN THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO COMMUNITY FACILITIES DISTRICT

NO. 8 (HUNTERS POINT SHIPYARD PHASE ONE MAINTENANCE); HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Director Blackwell requested that Agenda Item 4(h) be continued to the next regularly scheduled meeting of Tuesday, October 6, 2008.

- (g) Resolution No. 106-2008, Authorizing a Second Amendment to the Owner Participation Agreement with 766 Harrison, LLC, a California limited liability company, to allow the development of condominiums instead of rental units and to modify the terms governing the below-market-rate units in a 98-unit, residential project at 766 Harrison Street, located between Fourth and Lapu-Lapu Streets (Assessor's Block 3751, Lot 153); Yerba Buena Center Redevelopment Project Area.

Speakers: None

MOTION: A MOTION WAS MADE BY MR. ROMERO, SECONDED BY MR. SWIG, AND UNANIMOUSLY CARRIED THAT AGENDA ITEM 4(j) BE CONTINUED TO THE NEXT REGULARLY SCHEDULED MEETING OF OCTOBER 7, 2008.

- (h) Resolution No. 107-2008, Expressing the intent of the Redevelopment Agency of the City and County of San Francisco to issue multifamily mortgage revenue bonds in one or more series in an aggregate amount not to exceed \$28,000,000 to finance the acquisition and rehabilitation of residential facilities at 1615 Sutter Street by Nihonmachi Terrace Limited Partnership; Western Addition Redevelopment Project Area A-2.

Presenter: Olson Lee, Deputy Executive Director, Housing

Speakers: Jeffrey Matsuoka

Commissioner Singh asked for clarification about the temporary relocation as mentioned in the presentation.

Mr. Lee indicated that if there was going to be any relocation, it was going to be a temporary relocation within the building; there will not be any permanent relocation.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. SWIG, AND UNANIMOUSLY CARRIED, (WITH MS. CHEU ABSENT) THAT AGENDA ITEM NO. 4(h), RESOLUTION NO. 107-2008, EXPRESSING THE INTENT OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO TO ISSUE MULTIFAMILY MORTGAGE REVENUE BONDS IN ONE OR MORE SERIES IN AN AGGREGATE AMOUNT NOT TO EXCEED \$28,000,000 TO FINANCE THE ACQUISITION AND REHABILITATION OF

RESIDENTIAL FACILITIES AT 1615 SUTTER STREET BY
NIHONMACHI TERRACE LIMITED PARTNERSHIP; WESTERN
ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

- (i) Resolution No. 108-2008, Authorizing a Personal Services Contract with Renaissance Entrepreneurship Center, a California nonprofit corporation, in an amount not to exceed \$70,000, for outreach, coordination and support services to the Bayview Merchants Association; Bayview Hunters Point Redevelopment Project (Area B).

Presenter: Lisa Zayas-Chien, Agency Staff

Speakers: Dorris Vincent, Amy Cohen, Jerald Joseph, Cheryl Smith

Commissioner Singh asked how many business members are in the association.

Ms. Zayas-Chien stated that there has been a recent influx of increased attendance at meetings due to recent activities.

Mr. Al Norman stated officially, 20 members, unofficially, 35.

Commissioner Singh asked how many are paying members.

Mr. Norman stated 20 paying members.

Commissioner Singh put forth a motion to adopt item 4(i).

Commissioner Swig seconded the motion but also expressed his concern based on Mr. Norman's comments that the organization is influx and whether the timing was right in implementing this at this time as opposed to sometime later when the organization is less influx.

Mr. Norman stated that it has been 25 years too late; they need the person to go and do some of the things they have had volunteer members doing. Mr. Norman stated that they are trying to increase their membership, though some members are not able to afford to join the Merchants Association, they are still involved with activities at the Bayview. Mr. Norman stated they are as much concerned with the people who are in the Bayview at this time and would like to see that they can take advantage of some of the opportunities that Redevelopment brings to the area. Mr. Norman stated that they do not turn anyone away because they cannot afford to pay the dues; they are there to help and encourage them, which is the reason why they have a strong relationship with BBRC because they encourage people they are incubating with to get out and do some of the things that the rest are doing. Mr. Norman stated they need that person to interact with all the businesses, it is not a requirement for that person to go out and do things for you because you are not a paid dues member, and they are there to support all merchants. Mr. Norman stated that

they support that they continue to be members, but if they can't afford the dues, they still support their efforts because they are fellow business persons.

Mr. Swig stated that with that explanation his concerns were alleviated, and his vision is clarified, and seconded the motion.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. SWIG, AND UNANIMOUSLY CARRIED, (WITH MS. CHEU ABSENT) THAT AGENDA ITEM 4(i), RESOLUTION NO. 108-2008, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH RENAISSANCE ENTREPRENEURSHIP CENTER, A CALIFORNIA NONPROFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$70,000, FOR OUTREACH, COORDINATION AND SUPPORT SERVICES TO THE BAYVIEW MERCHANTS ASSOCIATION; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT (AREA B) BE ADOPTED.

Items 4(j) and 4(k) were presented together, but acted on separately.

- (j) Resolution No. 109-2008, Authorizing a Grant Agreement with the Bayview Merchants Association, a California nonprofit corporation, in an amount not to exceed \$162,000 for the Operation of the International African Marketplace for a two-year term from September 16, 2008 to September 15, 2010 with one, one-year option to extend; Hunters Point Shipyard Redevelopment Project Area
- (k) Resolution No. 110-2008, Authorizing a Personal Services Contract with the Renaissance Entrepreneurship Center, a California nonprofit corporation, in an amount not to exceed \$18,000 for fiscal agent services in connection with the Operation of the International African Marketplace, for a two-year term from September 16, 2008 to September 15, 2010 with one, one-year option to extend; Hunters Point Shipyard Redevelopment Project Area.

Director Blackwell stated there was a substitute resolution which Mr. Kaslofsky will be addressing in his presentation.

Presenter: Thor Kaslofsky, Agency Staff

Speakers: Dorris Vincent
Dr. Veronica Hunnicutt
Amy Cohen
Jeannene Mitchell
Jerald Joseph

Mr. Kaslofsky stated that the revised resolution includes an agreement that was being negotiated until recently with the Renaissance Entrepreneurship Center to provide fiscal agent services, which originally proposed a 10% fiscal agent fee, however, Renaissance Entrepreneurship Center increased its request

to 18% to cover additional costs of processing requests from the potentially large number of vendors and service providers that the Renaissance Entrepreneurship Center will have to contract with for the IEM. Mr. Kaslofsky indicated that the increase would also cover the cost for the additional insurance that is necessary for the project, and is also in line with other similar contracts and services the Agency has with similar services.

Commissioner Swig asked if the proposed Marketplace would evolve into a Union Street Fair or North Beach Art Festival, a church fair that only appeals to the community will the Convention and Visitor's Bureau involved to broaden the outreach to regional consumers. Mr. Swig asked what the plan and vision was.

Mr. Maduli-Williams stated the goal was targeted to create an event that mirrors the neighborhood, it is to prime a much larger physical structure on Phase 2 of the Shipyard development.

Commissioner Breed asked why the sponsorship fee was increased.

Mr. Kaslofsky stated that they had not grasped the number of vendors and service providers needed for the event.

Ms. Breed asked what the point of the Bayview Merchant Association was; it was her understanding that they are making the deals and managing the contracts, they are submitting their invoices to be paid by Renaissance Entrepreneurship Center.

Ms. Kaslofsky stated that the initiative would be taken by the Bayview Merchant Association and they would put in a request a request to the Renaissance Entrepreneurship Center to enter into a contract with a certain entity.

Commissioner Breed asked why they would ask Renaissance Entrepreneurship Center to enter into a contract and not enter into a contract themselves and then submit it to Renaissance Entrepreneurship Center to be paid.

Mr. Kaslofsky stated that the contract was structured that way; the Renaissance Entrepreneurship Center would bring in their capabilities that the Bayview Merchants Association does not have at this time.

Commissioner Covington stated that she has a problem with the 18% fiscal sponsorship fee which she indicated was high for the particular project.

Director Blackwell indicated that it would be better to look at the administrative fee in terms of the number of transactions rather than the amount of money that is involved. Mr. Blackwell stated that one of the important things to look at Renaissance Entrepreneurship Center in terms of

their role is as an administrative partner than just a fiscal agent. That notwithstanding, Mr. Blackwell stated that if it is the pleasure of the Commission they will go back and negotiate but wanted to make a point that it is less about the amount of money and more about the level of administrative energy and support that will be needed in order to support the program overall. Mr. Blackwell also stated that the earlier item on building the capacity of the Merchants Association is an indicator about the level of administrative support as it relates to supporting the Merchants Association to pull it off.

Commissioner Romero stated that he appreciated all the questions and good points from his fellow Commissioners but his personal opinion was that this was a no brainer, and moved to adopt the item.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. SWIG, AND UNANIMOUSLY CARRIED, (WITH MS. CHEU ABSENT) THAT AGENDA ITEM 4(j), RESOLUTION NO. 109-2008, AUTHORIZING A GRANT AGREEMENT WITH THE BAYVIEW MERCHANTS ASSOCIATION, A CALIFORNIA NONPROFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$162,000 FOR THE OPERATION OF THE INTERNATIONAL AFRICAN MARKETPLACE FOR A TWO-YEAR TERM FROM SEPTEMBER 16, 2008 TO SEPTEMBER 15, 2010 WITH ONE, ONE-YEAR OPTION TO EXTEND; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. SWIG, AND UNANIMOUSLY CARRIED, (WITH MS. CHEU ABSENT) THAT AGENDA ITEM 4(k), RESOLUTION NO. 110-2008, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH THE RENAISSANCE ENTREPRENEURSHIP CENTER, A CALIFORNIA NONPROFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$18,000 FOR FISCAL AGENT SERVICES IN CONNECTION WITH THE OPERATION OF THE INTERNATIONAL AFRICAN MARKETPLACE, FOR A TWO-YEAR TERM FROM SEPTEMBER 16, 2008 TO SEPTEMBER 15, 2010 WITH ONE, ONE-YEAR OPTION TO EXTEND; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Agenda Items 4(l), (m), and (n), were presented together, but acted on separately.

- (l) Resolution No. 111-2008, Authorizing an Amended and Restated Loan Agreement with Hunters View Associates, L.P., a California Limited Partnership, to increase the loan by an amount not to exceed \$8,647,231 for Phase I Predevelopment and construction of the very low-income rental units at the Hunters View Housing Development at Middle Point and West Point

Roads, for an aggregate loan amount not to exceed \$10,676,978 and making environmental findings pursuant to the California Environmental Quality Act; Bayview Hunters Point Redevelopment Project Area (Areas A and B).

- (m) Resolution No. 112-2008, Authorizing a Loan Agreement with Hunters View Associates, L.P., A California Limited Partnership, in an amount not to exceed \$4,410,206 for Phase I predevelopment and construction of the low and moderate-income homeownership units at The Hunters View Housing Development at Middle Point and West Point Roads, and making environmental findings pursuant to the California Environmental Quality Act; Bayview Hunters Point Redevelopment Project Area (Areas A and B).
- (n) Resolution No. 113-2008, Expressing the intent of the Redevelopment Agency of the City And County of San Francisco to issue multifamily mortgage revenue bonds in one or more series in an amount not to exceed \$35,000,000 to finance the construction of the Hunters View Development located at Middle Point and West Point Roads, Block 4624, Lots 3, 4 & 9 and Block 4720, Lot 27, and making environmental findings pursuant to the California Environmental Quality Act; Bayview Hunters Point Redevelopment Project Areas A and B; Agency Citywide Affordable Housing Program.

Presentation: Erin Carson, Agency Staff

Speakers: Dorris Vincent, Larry Hollingsworth, Lottie Titus, Francisco Da Costa, Al Norman

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED, (WITH MS. CHEU ABSENT) THAT AGENDA ITEM 4(l), RESOLUTION NO. 111-2008, AUTHORIZING AN AMENDED AND RESTATED LOAN AGREEMENT WITH HUNTERS VIEW ASSOCIATES, L.P., A CALIFORNIA LIMITED PARTNERSHIP, TO INCREASE THE LOAN BY AN AMOUNT NOT TO EXCEED \$8,647,231 FOR PHASE I PREDEVELOPMENT AND CONSTRUCTION OF THE VERY LOW-INCOME RENTAL UNITS AT THE HUNTERS VIEW HOUSING DEVELOPMENT AT MIDDLE POINT AND WEST POINT ROADS, FOR AN AGGREGATE LOAN AMOUNT NOT TO EXCEED \$10,676,978 AND MAKING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA (AREAS A AND B), BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED, (WITH MS. CHEU ABSENT) THAT AGENDA ITEM 4(m), RESOLUTION NO. 112-2008, AUTHORIZING A LOAN AGREEMENT WITH HUNTERS VIEW ASSOCIATES, L.P., A CALIFORNIA LIMITED PARTNERSHIP, IN AN AMOUNT NOT TO EXCEED \$4,410,206 FOR PHASE I

PREDEVELOPMENT AND CONSTRUCTION OF THE LOW AND MODERATE-INCOME HOMEOWNERSHIP UNITS AT THE HUNTERS VIEW HOUSING DEVELOPMENT AT MIDDLE POINT AND WEST POINT ROADS, AND MAKING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA (AREAS A AND B), BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED, (WITH MS. CHEU ABSENT) THAT AGENDA ITEM 4(n), RESOLUTION NO. 113-2008, EXPRESSING THE INTENT OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO TO ISSUE MULTIFAMILY MORTGAGE REVENUE BONDS IN ONE OR MORE SERIES IN AN AMOUNT NOT TO EXCEED \$35,000,000 TO FINANCE THE CONSTRUCTION OF THE HUNTERS VIEW DEVELOPMENT LOCATED AT MIDDLE POINT AND WEST POINT ROADS, BLOCK 4624, LOTS 3, 4 & 9 AND BLOCK 4720, LOT 27, AND MAKING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREAS A AND B; AGENCY CITYWIDE AFFORDABLE HOUSING PROGRAM, BE ADOPTED.

Commissioner Swig expressed how late the project has been in becoming a reality for the city, he echoed Ms. Vincent's position of "let's get it going", any second wasted would be adding to the problem. Mr. Swig stated that it has been well planned and enthusiastically made a motion to move the items.

Commissioner Romero stated that this project was one of the better things he's participated in, in the ten years being on the Commission seconded Mr. Swig's motion.

Commissioner Breed added that she too was excited about the project and asked that the residents who have remained in the area be treated with respect as it relates to not just rental opportunities but homeownership opportunities. Ms. Breed stated that now that the project is a mixed-use project, it would be better for the community.

Commissioner Covington stated that she went on a tour with staff to Hunters View and expressed her excitement of the project. Ms. Covington stated that she has been serving on the Mayor's Task Force for Public Housing for the last eighteen months and said the plan is a wonderful advancement to all of the efforts that have been presented by everyone. Ms. Covington indicated that it was essential that there be more recreational facilities for teens.

5. MATTERS NOT APPEARING ON AGENDA: None

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS:** None.

7. **REPORT OF THE PRESIDENT:**

Reported that the Commission is scheduled to meet on Election Day, Tuesday, Nov. 4th, asked whether her fellow Commissioners are available to meet on either Oct. 28th or Nov. 25th in lieu of meeting on Nov. 4th, or have one meeting in November as suggested by Commissioner Singh. President Covington asked the Commission Secretary to check on the Commissioners' availability, the availability of the meeting room for either date, and to report back to her.

8. **REPORT OF THE EXECUTIVE DIRECTOR:**

Reported that an important meeting on the Navy's clean up plans for the Hunters Point Shipyard is scheduled on Wed., Sept. 17th, at 5:30 p.m., 4634 Third Street at Newcomb; the Navy completed years of studies and evaluations, and published its decisions on how to clean up Parcels B, G and D2 at the Hunters Point Shipyard.

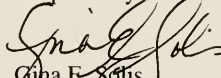
9. **COMMISSIONERS' QUESTIONS AND MATTERS:** None

10. **CLOSED SESSION:** None.

11. **ADJOURNMENT:**

It was moved by Commissioner Covington, seconded by Commissioner Breed, and unanimously carried that the meeting be adjourned at 6:11 p.m.

Respectfully submitted,


Gina E. Solis
Agency Secretary

ADOPTED:

October 7, 2008

**MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
7TH DAY OF OCTOBER 2008**

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 7th day of October 2008, at the place and date duly established for holding of such a meeting.

President Francee Covington called the meeting to order at 4:00 p.m.

Ms. Covington welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Ms. Covington asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Ms. Covington stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Francee Covington, President
Leroy King
Ramon E. Romero
Darshan Singh
Rick Swig

DOCUMENTS DEPT.

The following were absent:

London Breed, Vice President
Linda Cheu

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Fred Blackwell, Executive Director, and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. No Reportable Action.

3. MATTERS OF UNFINISHED BUSINESS.

- (a) Authorizing a Second Amendment to the Owner Participation Agreement with 766 Harrison, LLC, a California limited liability company, to allow the development of condominiums instead of rental units and to modify the terms governing the below-market-rate units in a 98-unit, residential project at 766 Harrison Street, located between Fourth and Lapu-Lapu Streets (Assessor's Block 3751, Lot 153); Yerba Buena Center Redevelopment Project Area. (Resolution No. 106-2008)

Director Blackwell recommended that item 3(a) be continued to the next regularly scheduled Commission meeting.

Speakers: None

MOTION: A MOTION WAS MADE BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT AGENDA ITEM 3(a) BE CONTINUED TO THE NEXT REGULARLY SCHEDULED MEETING OF OCTOBER 21, 2008.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- (a) Approval of Minutes: Meeting of September 16, 2008
- (b) Authorizing a First Amendment to the Personal Services Contract with Forster & Kroeger Landscape Maintenance, Inc., a California corporation, to extend the term for two months to December 31, 2008 and increase the contract amount by \$14,428, for a total aggregate amount not to exceed \$291,648 to provide landscape maintenance and related services for Community Facilities District No. 1; Rincon Point-South Beach Redevelopment Project Area. (Resolution No. 114-2008)

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (WITH COMMISSIONERS BREED AND CHEU ABSENT), THAT CONSENT AGENDA ITEMS 4(a), APPROVAL OF MINUTES: REGULAR MEETING OF SEPTEMBER 16, 2008; AND AGENDA ITEM 4(b), RESOLUTION NO. 114-2008, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH FORSTER & KROEGER LANDSCAPE MAINTENANCE, INC., A CALIFORNIA CORPORATION, TO EXTEND THE TERM FOR TWO MONTHS TO DECEMBER 31, 2008 AND INCREASE THE CONTRACT AMOUNT BY \$14,428, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$291,648 TO PROVIDE LANDSCAPE MAINTENANCE AND RELATED SERVICES FOR COMMUNITY FACILITIES DISTRICT NO. 1; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

REGULAR AGENDA

Items 4(c) and 4(d) were presented together, but acted on separately

- (c) Authorizing the issuance, sale and delivery of Tax Exempt Multifamily Housing Mortgage Revenue Bonds (Armstrong Place Senior Housing) 2008 in an aggregate principal amount not to exceed \$24,000,000; determining and prescribing certain related matters; approving and authorizing related actions and the execution and delivery of related documents to finance the construction of residential facilities known as Armstrong Place Senior Housing; Bayview Hunters Point Redevelopment Project Area. (Resolution No. 115-2008)

Presenter: Pam Sims, Agency Staff

Speakers: Kevin Griffith, Andy Madeira

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (WITH COMMISSIONERS BREED AND CHEU ABSENT), THAT AGENDA ITEM 4(c), RESOLUTION NO. 115-2008, AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF TAX EXEMPT MULTIFAMILY HOUSING MORTGAGE REVENUE BONDS (ARMSTRONG PLACE SENIOR HOUSING) 2008 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$24,000,000; DETERMINING AND PRESCRIBING CERTAIN RELATED MATTERS; APPROVING AND AUTHORIZING RELATED ACTIONS AND THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS TO FINANCE THE CONSTRUCTION OF RESIDENTIAL FACILITIES KNOWN AS ARMSTRONG PLACE SENIOR HOUSING; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- (d) Authorizing an Amended And Restated Tax Increment Loan Agreement to increase the loan in an amount not to exceed \$10,749,880, for a total aggregate amount not to exceed \$13,545,516, and a Ground Lease with Armstrong Place Associates, a California limited partnership, for the development of approximately 115 very low income senior rental units, and one manager's unit, at 5600 Third Street; Bayview Hunters Point Redevelopment Project Area; Citywide Tax Increment Housing Program. (Resolution No. 116-2008)

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (WITH COMMISSIONERS BREED AND CHEU ABSENT), THAT AGENDA ITEM 4(d), RESOLUTION NO. 116-2008, AUTHORIZING AN AMENDED AND RESTATED TAX INCREMENT LOAN AGREEMENT TO INCREASE THE LOAN IN AN AMOUNT NOT TO EXCEED \$10,749,880, FOR A

TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$13,545,516, AND A GROUND LEASE WITH ARMSTRONG PLACE ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP, FOR THE DEVELOPMENT OF APPROXIMATELY 115 VERY LOW INCOME SENIOR RENTAL UNITS, AND ONE MANAGER'S UNIT, AT 5600 THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

Items 4 (e) & (f) were presented together, but acted on separately

- (e) Authorizing a Ground Lease with Mercy Housing California XLI, a California Limited Partnership, for the development of 49 units of low-income family rental units at 227-255 Seventh Street, and adopting environmental findings pursuant to the California Environmental Quality Act; South of Market Redevelopment Project Area. (Resolution No. 117-2008)

Presenter: Vanessa Dandridge, Agency Staff, and Angela Heyward, Agency Staff

Speakers: Eleanor Jacobs, Raymon Smith, Antoinetta III, Barbara Gualco, Mark Beasley, Brenda Storey, Charles Range

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (WITH COMMISSIONERS BREED AND CHEU ABSENT), THAT AGENDA ITEM 4(e), RESOLUTION NO. 117-2008, AUTHORIZING A GROUND LEASE WITH MERCY HOUSING CALIFORNIA XLI, A CALIFORNIA LIMITED PARTNERSHIP, FOR THE DEVELOPMENT OF 49 UNITS OF LOW-INCOME FAMILY RENTAL UNITS AT 227-255 SEVENTH STREET, AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- (f) Authorizing a Loan Agreement in an amount not to exceed \$3,600,000 to fund a portion of the construction of a health center and a ground lease to lease a portion of the site located at 227-255 Seventh Street, for the development and operation of a Health Center, with the San Francisco Medical Center Outpatient Improvement Programs, Inc., a California nonprofit public benefit corporation, d/b/a South of Market Health Center, and adopting environmental findings pursuant to the California Environmental Quality Act; South of Market Redevelopment Project Area. (Resolution No. 118-2008)

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (WITH COMMISSIONERS BREED AND CHEU ABSENT), THAT AGENDA ITEM 4(f), RESOLUTION NO. 118-2008, AUTHORIZING A LOAN AGREEMENT IN AN AMOUNT NOT TO EXCEED \$3,600,000 TO FUND A PORTION OF THE CONSTRUCTION OF A HEALTH CENTER AND A GROUND LEASE TO LEASE A PORTION OF THE SITE LOCATED AT 227-255

SEVENTH STREET, FOR THE DEVELOPMENT AND OPERATION OF A HEALTH CENTER, WITH THE SAN FRANCISCO MEDICAL CENTER OUTPATIENT IMPROVEMENT PROGRAMS, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, D/B/A SOUTH OF MARKET HEALTH CENTER, AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (g & h) were presented together, but acted on separately

- (g) Authorizing a Ground Lease with Octavia Court, Inc, a California nonprofit public benefit corporation, in connection with the development of very low-income rental housing for persons with developmental disabilities on Central Freeway Parcel Q, southwest corner of Octavia Boulevard and Oak Street, and making environmental findings pursuant to the California Environmental Quality Act; Citywide Tax Increment Housing Program. (Resolution No. 119-2008)

Presenter: Pam Sims, Agency Staff

Speakers: Kelly Nelson, Kevin Macneil, William Pickel, Barry Benda, David Brigade, Ryan Chais

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (WITH COMMISSIONERS BREED AND CHEU ABSENT), THAT AGENDA ITEM 4(g), RESOLUTION NO. 119-2008, AUTHORIZING A GROUND LEASE WITH OCTAVIA COURT, INC, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN CONNECTION WITH THE DEVELOPMENT OF VERY LOW-INCOME RENTAL HOUSING FOR PERSONS WITH DEVELOPMENTAL DISABILITIES ON CENTRAL FREEWAY PARCEL Q, SOUTHWEST CORNER OF OCTAVIA BOULEVARD AND OAK STREET, AND MAKING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

- (h) Authorizing a First Amendment to the Regulatory and Grant Agreement with Octavia Court, Inc, a California nonprofit public benefit corporation, to increase the Grant in an amount not to exceed \$1,951,609, for a total amount not to exceed \$3,987,300, for the development of 15 units of very low-income rental housing for persons with developmental disabilities on Central Freeway Parcel Q, southwest corner of Octavia Boulevard and Oak Street, and making environmental findings pursuant to the California Environmental Quality Act; Citywide Tax Increment Housing Program. (Resolution No. 120-2008)

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (WITH COMMISSIONERS BREED AND CHEU ABSENT), THAT AGENDA ITEM 4(h), RESOLUTION NO. 120-2008, AUTHORIZING A FIRST AMENDMENT TO THE REGULATORY AND GRANT AGREEMENT WITH OCTAVIA COURT, INC, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO INCREASE THE GRANT IN AN AMOUNT NOT TO EXCEED \$1,951,609, FOR A TOTAL AMOUNT NOT TO EXCEED \$3,987,300, FOR THE DEVELOPMENT OF 15 UNITS OF VERY LOW-INCOME RENTAL HOUSING FOR PERSONS WITH DEVELOPMENTAL DISABILITIES ON CENTRAL FREEWAY PARCEL Q, SOUTHWEST CORNER OF OCTAVIA BOULEVARD AND OAK STREET, AND MAKING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

5. **MATTERS NOT APPEARING ON AGENDA.** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS.** None.

7. **REPORT OF THE PRESIDENT:**

President Covington reported that the Agency is in it's 60th year, and Agency staff had a picnic on Saturday, October 4th which went extremely well and much fun was had by all. Ms. Covington stated to her fellow Commissioners to anticipate a long meeting at the next scheduled Commission meeting due to the Nov. 4th Commission meeting being cancelled due to Election day. Ms. Covington stated that when the State budget was finally passed, it resulted with a \$6M hit toward the Agency's budget which Director Blackwell will be going into more detail during his report. Ms. Covington also requested that an overview be given of the impact on the Agency of the volatility in the market, specifically the bond market since the Agency has millions of dollars outstanding in bonds.

8. **REPORT OF THE EXECUTIVE DIRECTOR:**

Mr. Blackwell reported that at the next Commission meeting, staff will be making a presentation on the potential impact of the existing economic market on the Redevelopment Agency. Mr. Blackwell stated that the Redevelopment Agencies were required to make a contribution of \$350M to balance the budget but indicated that there was actually a silver lining since the Governor's original budget proposal called for a multiple year, \$250M a year contribution from Redevelopment Agencies statewide, the budget just signed was just a one year mandatory contribution. Mr. Blackwell indicated that San Francisco Redevelopment Agency's responsibility, under the \$350M contribution, \$5.9M would need to come from pay

as you go tax increment. Mr. Blackwell reminded the Commission that during this year's budget process there was a substantial shortfall of the general fund, and staff came to the Commission with a supplemental budget requesting additional tax increment financing to help out the general fund. Mr. Blackwell stated that the strategy to shore up what is needed to do with the State would be basically the same strategy. Mr. Blackwell indicated that staff is very conservative in what is presented to the Commission and the Board of Supervisors, and only request tax increment based on the projects that are in the pipeline which means that a substantial amount of tax increment money is left on the table, and in order to meet the obligation to the State, staff is requesting to draw down additional tax increment in order to meet the obligation. Mr. Blackwell stated that the general fund impact is 40 cents on the dollar, and staff will be before the Commission in November with supplemental tax increment draw down request that will go beyond the \$5.9M which will also include \$4M to offset the impact on the general fund. Mr. Blackwell indicated that staff is working closely with the Mayor's Office of Housing, the Mayor's Budget Office, as well as the Controller's Office to find projects in the pipeline that can be included in the supplemental request so the request becomes budget neutral for the general fund.

Mr. Blackwell pointed out that there was an informational memorandum in the Commissioner's packets regarding the Hunters Point Shipyard. Mr. Blackwell stated that staff is anticipating making another grant application to the States 1C program for Brownfield Redevelopment Phase II which, in addition to the clean up that the Navy is required to do before conveying property to the City, the Agency is obligated to do clean up and remediation on the buildings that are on the site. Mr. Blackwell stated that it is a two step application; the first step is to submit for technical assistance and review, an application to the California Center for Land Recycling. The next step would be to apply to the State which staff will seek the Commission's approval to submit the application.

9. COMMISSIONERS' QUESTIONS AND MATTERS: None.

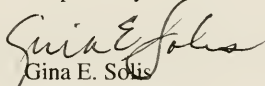
10. CLOSED SESSION:

- (a) Pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiators regarding the price and terms of payment for the conveyance of Agency Disposition Parcel 725-C in the Western Addition Redevelopment Project Area A-2. The parties with whom the Agency would negotiate are Safeway, Inc., a California for-profit corporation, and Richard Szeto. Agency negotiators: Fred Blackwell, Stephen Maduli-Williams, Gaynell Armstrong-McCurn, Andrea Baker, Andrico Penick, and Ricky Tijani.

11. ADJOURNMENT:

It was moved by Commissioner Swig, seconded by Commissioner Covington, and unanimously carried that the meeting be adjourned at 5:36 p.m.

Respectfully submitted,


Gina E. Solis
Agency Secretary

ADOPTED:

OCTOBER 22, 2008

San Francisco Redevelopment Agency



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MINUTES OF A REGULAR MEETING OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE 21st DAY OF OCTOBER 2008

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 21st day of October 2008, at the place and date duly established for holding of such a meeting.

President Francee Covington called the meeting to order at 4:00 p.m.

Ms. Covington welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Ms. Covington asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Ms. Covington stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Francee Covington, President
Leroy King
Ramon E. Romero
Darshan Singh
Rick Swig

GOVERNMENT
DOCUMENTS DEPT

The following were absent:

London Breed, Vice President
Linda Cheu

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Fred Blackwell, Executive Director, and staff members were also present.

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2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. No Reportable Action.

3. MATTERS OF UNFINISHED BUSINESS.

CONTINUED FROM OCTOBER 7, 2008 COMMISSION MEETING

- Resolution No. 106-2008, Authorizing a Second Amendment to the Owner Participation Agreement with 766 Harrison, LLC, a California limited liability company, to modify the terms of the agreement to allow the owner to sell or rent the units and to modify the terms governing the below-market-rate units in the project, 766 Harrison Street; Yerba Buena Center Redevelopment Project Area.

Presenter: Alma Basurto, David Sobel, Agency Staff

Speakers: None

ADOPTION:

IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, MR. SWIG ABSTAINED, AND UNANIMOUSLY CARRIED (MS. BREED AND MS. CHEU WERE ABSENT), THAT AGENDA ITEM 3(a) RESOLUTION NO. 106-2008, AUTHORIZING A SECOND AMENDMENT TO THE OWNER PARTICIPATION AGREEMENT WITH 766 HARRISON, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, TO MODIFY THE TERMS OF THE AGREEMENT TO ALLOW THE OWNER TO SELL OR RENT THE UNITS AND TO MODIFY THE TERMS GOVERNING THE BELOW-MARKET-RATE UNITS IN THE PROJECT, 766 HARRISON STREET; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

• **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

- Approval of Minutes: Meeting of October 7, 2008
- Resolution No. 121-2008, Authorizing a First Amendment to the Predevelopment Loan Agreement with Michael Simmons Property Development, Inc., a California corporation, to amend the project budget and to allow the Executive Director to approve future project budget line-item transfers, in conjunction with the predevelopment of approximately 32 units for low-and moderate-income, first-time homebuyers at 1345 Turk Street; Western Addition Redevelopment Project Area A-2.
- Resolution No. 122-2008, Authorizing a third amendment to the Personal Services Contract with Seifel Consulting, a California Corporation, to extend the contract term for three months to March 20, 2009 and to increase the contract amount by \$15,000 for a total aggregate amount not to exceed \$290,000 to prepare revised tax increment projections and redevelopment plan documents in connection with the adoption of the proposed Visitacion Valley Redevelopment Plan; Visitacion Valley Redevelopment Survey Area.
- Resolution No. 123-2008, Authorizing Submittal Of An Application To The Center For Creative Land Recycling For Funding Under The State Of California Pollution Control Financing Authority's "California Recycle Underutilized Sites (Calreuse)" Brownfield Remediation Program; The Execution Of A Standard Agreement If Selected For Such Funding And Any Amendments Thereto; And Any Related Documents Necessary To Participate In The Program For Up To \$14,980,000; Hunters Point Shipyard Redevelopment Project Area.

SPEAKERS: None.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, (MS. BREED AND MS. CHEU WERE ABSENT) THAT CONSENT AGENDA ITEMS 4(a) APPROVAL OF MINUTES: MEETING OF OCTOBER 7, 2008; 4(b) RESOLUTION NO. 121-2008, AUTHORIZING A FIRST AMENDMENT TO THE PREDEVELOPMENT LOAN AGREEMENT WITH MICHAEL SIMMONS PROPERTY DEVELOPMENT, INC., A CALIFORNIA CORPORATION, TO AMEND THE PROJECT BUDGET AND TO ALLOW THE EXECUTIVE DIRECTOR TO APPROVE FUTURE PROJECT BUDGET LINE-ITEM TRANSFERS, IN CONJUNCTION WITH THE PREDEVELOPMENT OF APPROXIMATELY 32 UNITS FOR LOW-AND MODERATE-INCOME, FIRST-TIME HOMEBUYERS AT 1345 TURK STREET; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2; 4(c) RESOLUTION NO. 122-2008, AUTHORIZING A THIRD AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH SEIFEL CONSULTING, A CALIFORNIA CORPORATION, TO EXTEND THE CONTRACT TERM FOR THREE MONTHS TO MARCH 20, 2009 AND TO INCREASE THE CONTRACT AMOUNT BY \$15,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$290,000 TO PREPARE REVISED TAX INCREMENT PROJECTIONS AND REDEVELOPMENT PLAN DOCUMENTS IN CONNECTION WITH THE ADOPTION OF THE PROPOSED VISITACION VALLEY REDEVELOPMENT PLAN; VISITACION VALLEY

REDEVELOPMENT SURVEY AREA; AND 4(d) RESOLUTION NO. 123-2008, AUTHORIZING SUBMITTAL OF AN APPLICATION TO THE CENTER FOR CREATIVE LAND RECYCLING FOR FUNDING UNDER THE STATE OF CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY'S "CALIFORNIA RECYCLE UNDERUTILIZED SITES (CALREUSE)" BROWNFIELD REMEDIATION PROGRAM; THE EXECUTION OF A STANDARD AGREEMENT IF SELECTED FOR SUCH FUNDING AND ANY AMENDMENTS THERETO; AND ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE PROGRAM FOR UP TO \$14,980,000; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- Workshop on potential impacts of current economic conditions on Agency activities.

Presenters: Amy Lee, Olson Lee, Amy Neches, Agency Staff

Speakers: None.

- Resolution No. 124-2008, Authorizing a Ground Lease with 365 Fulton, L.P., a California limited partnership, for the development and operation of 120 very low income supportive housing rental units at 365 Fulton Street; Western Addition Redevelopment Project Area A-2.

Presenter: Erin Carson, Agency Staff

Speakers: David Schnur, Arnold Townsend

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR.SWIG, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 124-2008, BE ADOPTED.

ITEMS 4(g) AND (h) WERE DISCUSSED TOGETHER BUT ACTED ON SEPARATELY.

- Resolution No. 125-2008, Conditionally approving the Combined Basic Concept and Schematic Design for a commercial building on Block 30 in the Mission Bay South Redevelopment Project Area, pursuant to the Owner Participation Agreement with FOCIL-MB, LLC, and adopting making environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area.

Presenters: Kelley Kahn, and Catherine Reilly, Agency Staff; Terezia Nemeth, Alexandria Real Estate Equities, Inc.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR.SWIG, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 125-2008, BE ADOPTED.

- Resolution No. 126-2008, Conditionally approving the Combined Basic Concept and Schematic Design for a commercial building on Block 32 in the Mission Bay South Redevelopment Project Area, pursuant to the Owner Participation Agreement with FOCIL-MB, LLC and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR.SWIG, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 126-2008, BE ADOPTED.

ITEMS 4(i) AND (j) WILL BE DISCUSSED TOGETHER BUT ACTED ON SEPARATELY

- Resolution No. 127-2008, Conditionally approving the Combined Basic Concept and Schematic Design for a parking garage on Parcel 6 of Blocks 41-43 in the Mission Bay South Redevelopment Project Area, pursuant to the Owner Participation Agreement with FOCIL-MB, LLC and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR.SWIG, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 127-2008, BE ADOPTED.

- Resolution No. 128-2008, Conditionally approving the Combined Basic Concept and Schematic Design for a commercial building on Parcel 7 of Blocks 41 – 43 in the Mission Bay South Redevelopment Project Area, pursuant to the Owner Participation Agreement with FOCIL-MB, LLC and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SWIG, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 128-2008, BE ADOPTED.

- Workshop/Progress Report Bi-County Transportation Plan

Presenters: Tom Evans, Agency Staff; Chester Fung, San Francisco Transportation Authority.

5. **MATTERS NOT APPEARING ON AGENDA:** None

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS:** None

• **REPORT OF THE PRESIDENT:**

- Agency participated in the Department of Children, Youth, and their Family's Annual Family Day event celebrating the Agency's 60th Anniversary.
- Reported the birth of Commissioner Linda Cheu's son Lucas on Tuesday, Oct. 7th.

• **REPORT OF THE EXECUTIVE DIRECTOR:**

- Announcement of an array of affordable ownership opportunities through the Agency's Limited Equity Program

• **COMMISSIONERS' QUESTIONS AND MATTERS:** None

10. **CLOSED SESSION:** None

1. **ADJOURNMENT:**

It was moved by Commissioner Covington, seconded by Commissioner Swig, and unanimously carried that the meeting be adjourned at 7:40 p.m.

Respectfully submitted,

Gina E. Solis
Agency Secretary

ADOPTED:

CONTINUED FROM OCTOBER 7, 2008 COMMISSION MEETING

- Resolution No. 106-2008, Authorizing a Second Amendment to the Owner Participation Agreement with 766 Harrison, LLC, a California limited liability company, to modify the terms of the agreement to allow the owner to sell or rent the units and to modify the terms governing the below-market-rate units in the project, 766 Harrison Street; Yerba Buena Center Redevelopment Project Area.

ADOPTION:

IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, MR. SWIG ABSTAINED, AND UNANIMOUSLY CARRIED (MS. BREED AND MS. CHEU WERE ABSENT), THAT AGENDA ITEM 3(A) RESOLUTION NO. 106-2008, AUTHORIZING A SECOND AMENDMENT TO THE OWNER PARTICIPATION AGREEMENT WITH 766 HARRISON, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, TO MODIFY THE TERMS OF THE AGREEMENT TO ALLOW THE OWNER TO SELL OR RENT THE UNITS AND TO MODIFY THE TERMS GOVERNING THE BELOW-MARKET-RATE UNITS IN THE PROJECT, 766 HARRISON STREET; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

• **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

- Approval of Minutes: Meeting of October 7, 2008
- Resolution No. 121-2008, Authorizing a First Amendment to the Predevelopment Loan Agreement with Michael Simmons Property Development, Inc., a California corporation, to amend the project budget and to allow the Executive Director to approve future project budget line-item transfers, in conjunction with the predevelopment of approximately 32 units for low-and moderate-income, first-time homebuyers at 1345 Turk Street; Western Addition Redevelopment Project Area A-2.
- Resolution No. 122-2008, Authorizing a third amendment to the Personal Services Contract with Seifel Consulting, a California Corporation, to extend the contract term for three months to March 20, 2009 and to increase the contract amount by \$15,000 for a total aggregate amount not to exceed \$290,000 to prepare revised tax increment projections and redevelopment plan documents in connection with the adoption of the proposed Visitacion Valley Redevelopment Plan; Visitacion Valley Redevelopment Survey Area.
- Resolution No. 123-2008, Authorizing Submittal Of An Application To The Center For Creative Land Recycling For Funding Under The State Of California Pollution Control Financing Authority's "California Recycle Underutilized Sites (Calreuse)" Brownfield Remediation Program; The Execution Of A Standard Agreement If Selected For Such Funding And Any Amendments Thereto; And Any Related Documents Necessary To Participate In The Program For Up To \$14,980,000; Hunters Point Shipyard Redevelopment Project Area.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SWIG, (MS. BREED AND MS. CHEU WERE ABSENT) AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS 4(a) APPROVAL OF MINUTES: MEETING OF OCTOBER 7, 2008; ITEM 4(b) RESOLUTION NO. 121-2008, AUTHORIZING A FIRST AMENDMENT TO THE PREDEVELOPMENT LOAN AGREEMENT WITH MICHAEL SIMMONS PROPERTY DEVELOPMENT, INC., A CALIFORNIA CORPORATION, TO AMEND THE PROJECT BUDGET AND TO ALLOW THE EXECUTIVE DIRECTOR TO APPROVE FUTURE PROJECT BUDGET LINE-ITEM TRANSFERS, IN CONJUNCTION WITH THE PREDEVELOPMENT OF APPROXIMATELY 32 UNITS FOR LOW-AND MODERATE-INCOME, FIRST-TIME HOMEBUYERS AT 1345 TURK STREET; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2; ITEM 4(c) RESOLUTION NO. 122-2008, AUTHORIZING A THIRD AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH SEIFEL CONSULTING, A CALIFORNIA CORPORATION, TO EXTEND THE CONTRACT TERM FOR THREE MONTHS TO MARCH 20, 2009 AND TO INCREASE THE CONTRACT AMOUNT BY \$15,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$290,000 TO PREPARE REVISED TAX INCREMENT PROJECTIONS AND REDEVELOPMENT PLAN DOCUMENTS IN CONNECTION WITH THE ADOPTION OF THE PROPOSED VISITACION VALLEY REDEVELOPMENT PLAN; VISITACION VALLEY REDEVELOPMENT SURVEY AREA; AND 4(d) RESOLUTION NO. 123-2008, AUTHORIZING SUBMITTAL OF AN APPLICATION TO THE CENTER FOR CREATIVE LAND RECYCLING FOR FUNDING

UNDER THE STATE OF CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY'S "CALIFORNIA RECYCLE UNDERUTILIZED SITES (CALREUSE)" BROWNFIELD REMEDIATION PROGRAM; THE EXECUTION OF A STANDARD AGREEMENT IF SELECTED FOR SUCH FUNDING AND ANY AMENDMENTS THERETO; AND ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE PROGRAM FOR UP TO \$14,980,000, HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

5. **MATTERS NOT APPEARING ON AGENDA:** None

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS.** None.

• **REPORT OF THE PRESIDENT:** None.

• **REPORT OF THE EXECUTIVE DIRECTOR:** None.

• **COMMISSIONERS' QUESTIONS AND MATTERS:** None

10. **CLOSED SESSION:** None.

1. **ADJOURNMENT:**

It was moved by Commissioner King, seconded by Commissioner Singh, and unanimously carried that the meeting be adjourned at 5:17p.m.

Respectfully submitted,

Gina E. Solis
Agency Secretary

ADOPTED:

**MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
18 DAY OF NOVEMBER 2008**

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 18th day of November 2008, at the place and date duly established for holding of such a meeting.

President Francee Covington called the meeting to order at 4:00 p.m.

Ms. Covington welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Ms. Covington asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Ms. Covington stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Francee Covington, President
London Breed, Vice President
Leroy King
Darshan Singh
Rick Swig

GOVERNMENT
DOCUMENTS DEPT

The following Commissioners were absent:

MAR - 9 2009

Linda Cheu
Ramon E. Romero

SAN FRANCISCO
PUBLIC LIBRARY

Fred Blackwell, Executive Director, and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. No Reportable Action.

3. MATTERS OF UNFINISHED BUSINESS. None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- (a) Approval of Minutes: Meeting of October 21, 2008
- (b) Approval of Minutes: Special Meeting of October 27, 2008

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. SWIG, (MS. BREED ABSTAINED) AND UNANIMOUSLY CARRIED, THAT CONSENT AGENDA ITEMS 4(a) APPROVAL OF MINUTES: REGULAR MEETING OF OCTOBER 21, 2008, 4(b) APPROVAL OF MINUTES: SPECIAL MEETING OF OCTOBER 27, 2008, BE ADOPTED.

REGULAR AGENDA

- (c) Workshop relating to Agency's Fillmore "Jazz District" Street Restaurants

Presenter: Stephen Maduli-Williams, Agency Staff

Speakers: Monetta White, David Lawrence, Kaz Kajimura, Steven Mayer, Michael Johnson, H.C. Ahuruonye, Agonafer Shiferaw, Ace Washington, Randall Evans, Arnold Townsend, Charles Spencer

Commissioner Breed asked for clarification on the number of full time/part time employees at Yoshi's.

Mr. Maduli-Williams stated that the accurate number is 125 full time/part time employees at Yoshi's.

Commissioner Breed asked for clarification from the staff report which stated that Yoshi's was taking in about \$800,000 a month since the revenue chart indicates \$1M a month.

Mr. Maduli-Williams stated that the yearend revenue numbers project to be about \$11,000,600, close to \$1M on average.

Commissioner Breed requested that Mr. Maduli-Williams provide information on the number of full time employees, specifically the number of part time employees for each business.

Commissioner Breed stated for the record, that the local community cannot consistently afford to eat at some of the establishments, suggested that some incentives should be considered at some of the establishments. Ms. Breed stated that she agrees with what Rev. Townsend mentioned about the Fillmore Center, and has concerns about the fact that there is a considerable amount of money being invested, but not necessarily to the benefit of the existing

businesses that are already there, and the agency should be more involved in terms of the Agency's investment along Fillmore Street. Ms. Breed stated that it was not clear what the Agency was proposing to do in order to assist separately from the money that is being proposed.

Mr. Maduli-Williams stated that the potential recommendation is in making a significant investment in marketing and promotion of the Jazz District, and should always be part of a comprehensive redevelopment strategy, particularly something that has a particular theme like the Jazz District.

Commissioner Breed inquired as to what the community business district is doing since they are suppose to be utilizing monies for those types of sources. Mr. Maduli-Williams stated that as an organization, they are dysfunctional because of a change in leadership; secondly, most of the monies have been targeted towards beautification; and lastly, there are two types of marketing and promotion, one is a community level - farmers markets marketing, another is a high level, high profile, making it a regional and national standpoint.

Commissioner Breed stated that it was her understanding that CBD was suppose to focus on marketing from that level as well, would like to have some written definition based on the resolution passed, and it was her understanding that they would take on that aspect. Ms. Breed stated that it would be helpful to know specifically what their budget is, and what the money was spent on because she knows the Agency has property going into CBD. Ms. Breed asked Mr. Maduli-Williams if he was familiar with any of the comments and feedback from the WACAC on this particular item since there were no notes in the staff report on their concerns about moving forward with these items.

Mr. Maduli-Williams stated, for the record, that everyone was in support at the WACAC meeting of moving forward with some kind of Agency investment.

Commissioner Breed stated that she is concerned about the service at Yoshi's, but is appreciative that they have made themselves available to the community, for example, the Mo-magic reading program, and other community organizations who've reached out to utilize the space, but continues, even recently, to experience bad service which needs overall improvement on the venue. Ms. Breed also mentioned that the lights on the photos that are outside have not been lit for quite some time and does not know what the issue is, but makes a difference in attracting people to the area. Ms. Breed stated that she had concerns that there was some unfinished work in the complex, holes in the walls, light areas that looked incomplete, and asked if that was part of the money being requested in order to complete some of the unfinished matters in the complex. Ms. Breed stated that she would be more specific so they can provide information on those issues the next time they meet. Ms. Breed stated that overall, with all the businesses that she visits, she supports them wholeheartedly, and would like to do whatever it

takes to ensure that they are around for the long haul, and expressed that the Agency would be doing an injustice to the businesses as a whole by not providing the support and the attention they really need. Ms. Breed stated that she takes it personally when she sees something unfinished because of the huge public investment, but it is also a huge private investment for the business owners. Ms. Breed stated that she would like to make sure that the Agency is doing everything possible, and also has concerns that anytime anyone is in trouble, they know they can come back to the Agency. Ms. Breed stated that the Agency needs to do its due diligence to make sure that support is provided, and would like to see the Agency invest a considerable amount of money in marketing and not just for one year but for the long run. Ms. Breed indicated that she also would like to invest in a restaurant consultant who can interpret what is happening in the confines of the restaurants, and know exactly what certain things mean, feels there should be someone that represents the Agency who will be friendly to the establishments, and work with them on assisting them to grow their businesses. Ms. Breed stated that the Agency should take a more active role in providing the resources necessary to support them. Ms. Breed also mentioned that she would like Blues music in the Fillmore but not often enough understand that it is a Jazz District and has been promoted as such, but adding Blues into the mix could make a big difference in attracting more people. Ms. Breed stated that it she will support what everyone wants, but the amount of money being asked compared to the multi-million dollar projects the Agency does throughout the City, she believes there is a need to invest but to be smart about how the Agency invests in these businesses, and also stated the need to reach out to the Fillmore Center, and develop a relationship.

Commissioner Swig stated that this was a multi-tiered issue – that is wasn't about keeping a couple of restaurants in business, but about keeping a momentum in an area which is finally reaching revitalization, keeping that momentum going, heard the two most important words from Rev. Townsend: fiscal responsibility. Mr. Swig stated, "but fiscal responsibility is a double edged sword, one, you don't want to put good money and have it turn into bad, yet there's that fiscal responsibility of investing money to think in the macro sense, so although you're putting into a specific business that might not necessarily result in the desired return on investment, it does stimulate and sustain an entire community which is the goal of redevelopment in a macro sense." Mr. Swig asked for clarification on the sources of the funding from the Muni sub-station, if that money was earmarked or identified for something else, or is it coincidental, available money to be spent responsibly by the Agency.

Mr. Maduli-Williams stated that it was money that has been earmarked from a budgetary standpoint for rebuilding the Muni sub-station.

Commissioner Swig stated that he is sympathetic to those who are in the restaurant business based on his past experience working in the Venetian Room at the Fairmont Hotel, and is sure when those individuals went into

those businesses, especially Yoshi's, and 1300, since they are the new arrivals, that on their proformas they did not see a 5,000 points dow jones stock market drop in their future. Mr. Swig stated what would be tragic is that the neighborhood which started in blight, has merged in some level of beauty, be returned to blight because of the failure of businesses along the street. Mr. Swig stated that it is the Redevelopment Agency's responsibility to sustain the beauty and prevent the blight, and suggested supporting financial subsidy. Mr. Swig stated that he highly suggests to staff, as part of their plan, that engagement of Fillmore Center and whether its incentives or other financial initiatives, to fill the spaces would be an equal priority to keeping the current focused businesses alive. Mr. Swig indicated that when staff returns to the Commission with their plan that he would be concerned with that as well, who is going to administrate the idea, and who will oversee it. Mr. Swig stated, to have money available without the administration oversight would not be good. Mr. Swig stated that he would expect staff to come back to the Commission with a business plan that would be destination based, and include not only the stimulus of the businesses but more macro suggestions, advised not to just throw money at the problem, but to use money to link to strategic initiatives that have some measurable goals. Mr. Swig stated as Commissioner Breed mentioned, it'll be three to five years, and it is not going to happen overnight. Mr. Swig stated that, subsidy, just not aimed at stimulating individual business, but stimulating the destination the Fillmore community, and its economic viability.

Commissioner Singh stated that he also sympathizes with the situation, and asked if the Agency ever gave working capital to any other business.

Mr. Maduli-Williams stated that this would be the first time to his knowledge; it is a function of having unrestricted source of dollars such as CDBG funds, and the CDBG funds referenced were old dollars that were used in a revolving loan fund in 1972 in the Fillmore, and is an appropriate use of dollars.

Commissioner Covington stated that her general comment is that she believes the business owners know that they have her support, has often frequented their businesses and wished them well. Ms. Covington asked how many of the 189 part-time and full-time employees come from the immediate neighborhood.

Mr. Maduli-Williams stated that 12% working at 1300 are from the Fillmore area zip code.

Commissioner Covington asked what other sources of money were available from other city agencies, and if that has been investigated.

Mr. Maduli-Williams stated that 1300 was working with MOCI in receiving \$250,000 in working capital, and at some point over the last three months, they decided not to invest in restaurant businesses, primarily due to the losses related to Powell's, but ended up giving \$50,000 grant/loan to 1300.

Commissioner Covington stated that she would like to find out where there are other pockets of funding, in addition to that, if there was not an informal or formal relationship with traditional banks, now is the time to form those.

Director Blackwell stated that the Agency funds Urban Solutions and Renaissance to do a lot of the work that gets done with entrepreneurs who are trying to do start ups and business plans, have cultivated strong relationships with local mainstream funders, and community development banks. Mr. Blackwell indicated that they used those and leveraged those relationships for a lot of people that were in attendance. Mr. Blackwell stated that Urban Solutions worked with 1300 for quite some time to cultivate a private loan with one of the community banks locally and was well on the way to doing that when the credit market crumbled a few months ago.

Commissioner Covington asked what the total amount of monies the Agency has invested in terms of economic development in the Western Addition.

Mr. Maduli-Williams stated about \$17-18M in aggregate.

Commissioner Covington stated that she would like Mr. Maduli-Williams to provide the Commission at their next meeting a breakdown of the monies that have been invested in the Western Addition.

Commissioner Covington asked what the current relationship with the owners of the Fillmore Center was.

Mr. Maduli-Williams stated, friendly, but they are in a mind set in wanting a condo conversion, and have had brief discussions with them about their request of \$1.5M for tenant improvements.

Commissioner Covington inquired if there have been any high level discussion with them about the need to fill the empty spaces that have been there for quite some time.

Mr. Maduli-Williams stated that he spoke to Steve Boyack, who is responsible for the Fillmore Center, has mentioned that he has hot prospects but does not give any other details other than the Italian restaurant that is coming in, and the Berkeley Jazz School which Mr. Boyack is requesting the Agency provide them with a \$1.5M TI grant for the Jazz School to move in.

Director Blackwell stated that the relationship with the Fillmore Center is complicated, and continue to have open dialogue with them around issues of tenancy; will be meeting with them to discuss the Jazz School idea. Mr. Blackwell indicated that the Agency formally has a relationship with them through the Land Disposition Agreement, they are looking to do a condo conversion of the units which the Agency did not approve, and they are suing the Agency as a result of that.

Mr. Maduli-Williams mentioned that Chicken and Waffles would be moving into the Powell's location which was presented at the last WACAC meeting.

Commissioner Covington asked if there was any recoupment from Powell's location since the Agency made a significant investment.

Mr. Maduli-Williams stated that he had many spirited discussions with MOCI in regards to what happens to the equipment, and they said they are \$1M ahead of the Agency in recouping any monies.

Commissioner Covington asked in reference to the condo conversion, if they have to enter the lottery.

General Counsel Morales stated that the Fillmore Center has attempted to obtain from the City, with the Agency's consent, their condo maps; outside of the lottery, there is currently, in essence, a moratorium on large scale condo conversions, and as a result, the City has denied their application, and as a result, the Agency is being sued along with the City for that denial.

Commissioner Covington asked Mr. Maduli-Williams if when he appeared before the WACAC, were there any discussions at that level about sources of funding – do members of the WACAC, and members of the general community understand that there is a pocket of money related to the Muni substation that will now be shifted to the restaurants.

Mr. Maduli-Williams stated that there was discussion of the Muni substation funding, they understood and were in agreement; the CAC felt that that was the reasonable thing to do.

Commissioner Covington stated that she agrees with her fellow Commissioners, especially as it relates to marketing and administrative oversight. Ms. Covington stated that she thinks it is important for people to understand that with additional investment comes additional involvement on the Agency's part, there is much more at stake; the more money the Agency puts in, the more the Agency has a stake in it, and the more involvement you can expect from the Agency. Ms. Covington also stated that she would be remiss as Commissioner, and as President of the Agency, not to remind people that it is a very large agency with a budget in excess of \$300M a year, also facing cutbacks with a \$6M hit earlier this year, and with the assembly going into mid-term sessions, additional cuts are expected, she would like people to understand that the Agency's resources are not limitless.

Commissioner Breed asked if any of the businesses would be able to apply for the grants that the Agency will be issuing in terms of a façade improvement.

Commissioner Covington stated that it is her understanding is that they can apply for any programming funds.

**AGENDA ITEMS 4(d) AND 4(e) WERE PRESENTED TOGETHER, BUT
ACTED ON SEPARATELY:**

- (d) Resolution No. 131-2008, Authorizing a Loan Agreement with Food for Soul, LLC, a California limited liability company, in an amount not to exceed \$100,000 for Operating Expenses for the 1300 on Fillmore Restaurant located at 1300 Fillmore Street; Western Addition Redevelopment Project Area A-2.

Presenter: Ricky Tijani, Agency Staff

Speakers: Ace Washington, Sheryl Davis

Commissioner Swig stated, in the spirit of consolidating all the loans into one, and in consideration that item 4(d), if it is approved, the interest rate is 6%, why is it 6% versus 3.25%, and why it not be consolidated into the greater loan once passed.

Mr. Tijani stated that the separation of the two is that they would like the legal document for the working capital loan to be separate from the T1 loan for a number of legal reasons. The reason for making it 6% interest is due to the projected cash flow to salvage the loan that they are trying to get from Wells Fargo Bank, the private lender would not give them 3.25%.

Commissioner Swig asked if the collateral on the \$100,000 is to FFE.

Mr. Tijani stated affirmatively.

Commissioner Swig stated that the \$100,000 investment in keeping the restaurant 1300 alive is all about preserving the neighborhood, and the community, not only about 1300 but about revitalizing the neighborhood. Mr. Swig stated he supports the initiative, and in the spirit of fiscal responsibility, normally a request of the historical trend of how the restaurant has been performing; how much money has been using and loosing, a forecast of how the restaurant sees that it is going to perform in the spirit of turning a profit, and returning the funds. Mr. Swig stated that at some future point he would ask under the umbrella of fiscal responsibility that 1300 provide a historical picture of the performance, and a forecasted picture of anticipated performance of the restaurant. Mr. Swig stated that in the spirit of fiscal responsibility, he asked that the item be moved forward but would like to ask, in addition to the resolution that resolution, 4(d), that the following language be inserted, "conditional on providing a list of uses of the funds to the Executive Director for his approval before dispersal of the funds". Mr. Swig made a motion to move the item.

Commissioner Breed seconded the motion. Ms. Breed added that 1300 is an incredible establishment; the owners have taken ownership in what happens in the community, they did not just open a restaurant, they moved into the

community, and work with the youth in the community. Ms. Breed stated that the owners of 1300 go above and beyond the call of duty when it comes to the Western Addition Community and expressed her appreciation of their involvement and the friendly treatment she and her friends receive from her staff. Ms. Breed reiterated how important all the establishments are to the Western Addition community and would like to see them continue to thrive and stated that she wants to make sure the Agency does it part. Ms. Breed stated that she was very happy to second the motion and also expressed how happy she was that 1300 was part of the community.

Commissioner Singh stated that he also supports the project and indicated that the owner is a very sweet lady, always smiling.

Commissioner Covington stated that everyone is giving props to Monetta White and also wanted to include David Lawrence who is very warm and personable.

Ms. Covington asked if there was any collateral for the loan.

Mr. Tijani stated for the larger loan, 1300 has the leasehold deed of trust, the FFE which is the fixtures, furniture and equipment, and their ongoing assets as part of the security for the larger loan. For the smaller loan, it is the same but the legal documents are separate.

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 131-2008, BE ADOPTED.

- (e) Authorizing a Second Amendment to the Loan Agreement with Food for Soul, LLC, a California limited liability company, to consolidate its existing four loans for tenant improvements, façade improvements, and business assistance into one with a combined principal of \$2,588,000, to defer the repayment of the consolidated loan to 2012, and to nullify the loan documents related to three of the four loans, all associated with the operation of 1300 on Fillmore Restaurant located at 1300 Fillmore Street; Western Addition Redevelopment Project Area A-2. (Resolution No. 132-2008)

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 132-2008, BE ADOPTED.

- (f) Resolution No. 133-2008, Authorizing a Disposition and Development Agreement with Habitat for Humanity San Francisco, a California nonprofit public benefit corporation, for the development of seven low-income units Parcel EE-2, Lot B, located at Whitney Young Circle and Hudson Avenue; Bayview Hunters Point Redevelopment Project Area (Area A.).

Presenter: Vanessa Dandridge, Agency Staff

Speakers: Al Norman, Doris Vincent, Oscar James

Commissioner Breed asked if Habitat for Humanity is required to meet the same requirements of any other contractor the Agency does business with.

Mr. James Fields, Agency staff, stated that a great portion of the Habitat for Humanity's labor is provided by volunteers which includes contracting, there are portions of work that are subcontracted out which includes the side grading and trenching. Mr. Fields stated that Habitat for Humanity would be advertising the supplies required for the project as well, and stated that it was the intent of the Agency to accommodate the Habitat project in order to bring the amenity to the community with a modified project in consideration for that service.

Commissioner Breed asked staff to address the Certificate of Preference Issue as mentioned by the two speakers.

Ms. Dandridge stated that the Certificate of Preference holders would have priority for the seven homes, first preference would go to COP holders in the 94124 area code, and secondly, preference would then go to COP holders in the Western Addition. Ms. Dandridge stated that the families were not yet chosen but a meeting is tentatively scheduled for December 9th in the Southeast Center for the COP holders.

Commissioner Breed made a motion to move the item. Ms. Breed stated that it is seven homes in the scheme of a lot more opportunities in the district, and expressed that it is important that the Agency is aggressive in supporting minority contractors in the area, primarily because they have been in the area for so long and they deserve the opportunities to be part of the projects that will come to the BVHP community. Ms. Breed stated that Habitat for Humanity is an extraordinary program and do great work. Ms. Breed directed Mr. Fields to keep an eye in ensuring what is suppose to happen with these particular developments is happening in terms of contractors, costs, and making sure they are not excessive costs.

Mr. Fields stated that there are substantial modifications to that end, usually developments have advertising, pre-bid conference, bids are submitted, but the pieces that Habitat will offer, there will be an advertising period, the community will be notified, and all contractors will have an opportunity to bid. Mr. Fields stated that volunteers also come from the families after they have been selected to work on their units.

Commissioner Breed stated that she moved the item, and would also like to be informed of the volunteer opportunities as well.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 133-2008, BE ADOPTED.

- (g) Resolution No. 134-2008, Conditionally Approving the Schematic Design for Mission Creek Park Open Space Parcels P2, P8 and P10 in the Mission Bay South Redevelopment Project Area pursuant to the Owner Participation Agreement with FOCIL-MB; LLC and adopting Environmental Findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area.

Presenter: Kelley Kahn, Agency Staff, Jacinta McCann, EDAW

Speakers: Bob Issacson

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 134-2008, BE ADOPTED.

Commissioner Swig made a motion to move item 4(i). Mr. Swig stated that when there is glass involved in a physical structure that is not utilized and maintained on a daily basis, and is not perused by someone, glass breaks. Mr. Swig suggested that they revisit the use of glass on the pump station.

Commissioner Breed seconded the motion.

Commissioner Covington inquired as to who was responsible for the maintenance of the pump station.

Ms. Kahn stated that the SFPUC is generally responsible for all the maintenance; the Agency enters into a MOU with SFPUC in the instance where the design of quality goes beyond with what the PUC would normally do. Ms. Kahn stated that the park management, MJM, also plays a role in maintaining the façade. The Agency is only responsible for the outside of the building.

Commissioner Covington asked who was responsible for replacing the glass should it break.

Ms. Kahn stated that the agreement is still being negotiated; the Agency is responsible at this time.

Commissioner Covington stated that she agreed with Commissioner Swig, for a facility that is little used, she believes the Agency will be spending money on the glass, and suggested that it could also be accomplished with skylights.

Ms. Kahn stated that staff will work during design development to revisit the material for the top portion.

- (h) Resolution No. 135-2008, Conditionally approving the Block 40 Major Phase and Parks P26 and P27 Concept Design application in the Mission Bay South Redevelopment Project Area and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area.

Presenter: Catherine Reilly, Agency staff, Patrick Barlett, Brand Allen AIA

Speakers: None

Commissioner Covington stated that there have been numerous schematic designs over the years in different formats and requested staff to show the Commission the overall design of the project at a future meeting.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 135-2008, BE ADOPTED.

AGENDA ITEMS 4(I), (J), AND (K) WERE PRESENTED TOGETHER

- (i) Certifying the Final Environmental Impact Report for the proposed 69-unit mixed-use project at 1450 Franklin Street (Assessor's Block 671, Lot 6); Western Addition Redevelopment Project Area A-2. (Resolution No. 136-2008)
- (j) Considering the adoption of environmental findings and a statement of overriding considerations pursuant to the California Environmental Quality Act and the authorization of an Owner Participation Agreement with Pacific Heights Franklin Partners, L.P., a California limited partnership, as to an undivided ½ interest and Pacific Heights Franklin Partners II, L.P., a California limited partnership, as to an undivided ½ interest, as tenants-in-common, for the proposed 69-unit mixed-use project at 1450 Franklin Street (Assessor's Block 671, Lot 6); Western Addition Redevelopment Project Area A-2. (Resolution No. 137-2008)
- (k) Considering the conditional approval of a schematic design for the proposed 69-unit mixed-use project at 1450 Franklin Street (Assessor's Block 671, Lot 6); Western Addition Redevelopment Project Area A-2. (138-2008)

Presenter: Amy Neches, Agency Staff

Speakers: David Silverman, Patricia Lovelock, Robert Reingold, Jack Gold, Mrs. Gee Gee Platt, Johanna Street, Arnold Townsend, Jim Helfrich, Marie Brooks

Commissioner Swig stated that he supports housing in the Western Addition but does not support the subject housing initiative, supports staff

recommendation not to approve the project, and reiterated that he would not vote for all three resolutions going forward. Mr. Swig stated that there are too many inconsistencies, too many conflicts with the preservation issue being just one, inconsistencies with the planning code and the redevelopment agency code. Mr. Swig stated that he was very uncomfortable that only 10% of the 69 units would be affordable, sees no evidence of any compromise with regard to the developer in trying to look at an alternative. Mr. Swig quoted the EIR that “alternatives (b) and (c) are not financially feasible, yet the alternative in (c), which might be feasible,” there’s no backup to say financially why it wouldn’t be feasible. Mr. Swig stated that there are a lot of opportunities to use the guidelines to benefit the project but not so much looking at the guidelines as to why not do the project. Mr. Swig stated that there should be more discussion on the item as Ms. Neches stated, but the project area is closing December 31st and therefore, the time is not there. Mr. Swig asked why the need to rush the project since it is not a blighted area. Mr. Swig stated that he trusts the opinion of Redevelopment staff and does not see why they are rushing and does not see the significance of pushing the project through; he would like to see housing, but not this housing, and cannot support the initiative and all three resolutions going forward.

Commissioner Singh asked if the developer has the permit for the demolition.

Ms. Neches stated that there are two permits in the review process; the site permit for the new construction, and the demolition permit for the demolition of the existing building. The permits are in process at this time and would require the signature of the Redevelopment Agency to be issued; staff would sign the permits pursuant to Commission approval of the project. Ms. Neches stated should the Commission were to go ahead and adopt the various resolutions, and approve the project, when the permits are routed to the Agency from the other departments, staff would sign the permits as long as they were consistent with the project approved by the Commission.

Commissioner Covington stated, as a follow up to Commissioner Singh’s question, where in the process are the permits, are all the other signatures in place.

Ms. Neches stated that the building permits are ready to go and are waiting for the Agency’s signature, with one issue remaining for the site permit with the Fire Marshall which is approval of air replenishment system, all other signatures have been received. Ms. Neches stated that once the Fire Marshall signs the permit, the Agency would sign it and it would then be completed. Ms. Neches stated on the demolition permit, there has been a request for some corrections from one of the reviewers which is in process at this time.

Mr. Silverman clarified that they have been working with DBI, have paid all fees, have gone through all the different processes to get the permits approved, the final step is the Agency’s signoff, if the Agency approves the project, the permits would be approved by the end of the week.

Commissioner Breed inquired as to what changed from the time the project came before the Commission in August, and now staff is suggesting that they not move forward with the project.

Ms. Neches stated that in this situation, under the CEQA process through the development of the EIR, through the public comments on the EIR to the additional research of the response to comments, to the additional research of writing the findings, staff has reached the conclusion raised by the material in the EIR that it is a historic resource, a significant contributory building to a potential historic district, a issue raised through the EIR process. Ms. Neches stated it was not an issue that staff was as aware of before the EIR. Ms. Neches stated the EIR process, designed to raise the issue environmental affects to the staff, and most importantly, to the Commission as decision makers, it is through the EIR process of the analysis, comments of other participants such as Landmarks that staff has reached the conclusion that there are significant defects that the Commission should consider in weighing the benefits of the project versus the affects of the project.

Ms. Neches reiterated that in considering the project, the Commission has the obligation to consider the CEQA issue in terms of looking at the potential statement of overriding consideration. State regulations direct the Commission to weight the potential benefits of the project against the potential environmental effects of the projects. Ms. Neches stated that the Commission also has the land use body, the discretion to look at the issue and other issues in a broader context; ultimately, the issues are within the Commissions judgment which is why staff has presented as much information.

Commissioner Breed indicated, based on the staff suggestions, it has more to do with the historical significance, and less to do with the inconsistency with the redevelopment and planning code.

Ms. Neches stated that ultimately, it would be the judgment of the Commission as to whether that would be appropriate, less than two months before the end of the project area, to approve a project that is not consistent, both in density and other issues with the planning code. Ms. Neches stated it would be within the Commission's jurisdiction to approve a project in such a way, but it would be something they may want to consider. Ms. Neches stated that the historic resource issue is a significant issue that the Commission must consider in order to look at the statement of overriding considerations which is the more narrow technical issue, is based on the significant environmental affect that relates to the historic resource.

Commissioner Covington inquired as to who approved the 140 foot building across Fern Street.

Commissioner King stated it was a Redevelopment project.

Commissioner Breed stated that she was having trouble with the item from many different perspectives, feels that staff is giving her two different things, and does not know if she can support staff's recommendation, but also realized that the project has been in the works for quite some time, and also has issues with the differences in the codes. She stated that she does not see that the developer is trying to meet the existing affordable housing percentage, and her preference is trying to figure out a way to make some recommendations to add to affordable housing units or deal with the inconsistencies. Ms. Breed stated that the Commission should have been given more notice about the situation; she feels they are being rushed to make a decision, and should have been given a heads up about the issue that it was going to be significantly problematic as it relates to the historical issue. Ms. Breed stated that she was not prepared to say yes or no to the project, and feels that the Commission was not given enough information to make the best decision.

Director Blackwell clarified, in reference to the affordable housing issue, and the inclusionary program, he stated that the Agency just recently updated the inclusionary policy, that this was one of the projects that was grandfathered in to the old inclusionary policy which is why the number of affordable housing units is lower than what would be required according to the current inclusionary policy being utilized. Mr. Blackwell stated, if the Agency had more time staff would be engaging in more negotiations with the developer in order to fully explore the alternatives and to come to an affirmative recommendation on the project. Mr. Blackwell stated that staff had never been before the Commission with the set of circumstances, and the fact that there is no time, staff wanted to present all sides of it so that the Commission could make a decision around it. Mr. Blackwell stated, because of the considerations, staff decided to bring a "no recommendation" to the Commission because staff was not comfortable in providing an affirmative recommendation. Mr. Blackwell indicated, in terms of the conflicts with the underlying zoning, and the planning code, it is an issue as it relates to the overall array of issues, but is not the issue. Mr. Blackwell stated that the issue is the fact that it is a building that is a contributor to a potential historic district which is why staff, at this point, is not recommending approval.

Commissioner Singh made a motion to continue the item and asked Director Blackwell what meeting the item should be continued to.

Mr. Blackwell stated that if the item were continued, staff would have to make a decision at the December 2nd meeting which would be the last opportunity to make a decision on the project.

Commissioner Covington stated that Commissioner Singh suggested that the item be continued until the December 2nd meeting, and seconded by Commissioner Breed. Ms. Covington asked staff to move as expeditiously to come to some sort of compromise.

MOTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MR. SWIG VOTED NAY) THAT ITEMS 4(i), (j), AND (k) BE CONTINUED TO THE NEXT REGULAR MEETING OF DECEMBER 2, 2008.

5. **MATTERS NOT APPEARING ON AGENDA:** None

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

Mrs. Gee Gee Platt, Mr. Charles Range

7. **REPORT OF THE PRESIDENT:**

- The Commission is scheduled to meet on Tuesday, January 20th which is Inauguration Tuesday, understood that there are three Commissioners that are scheduled to be out of town. Ms. Covington asked the Commission if it is the wish of the Commissioners that a meeting be held January 20th or meet on January 13th.
 - The Commissioners were all in agreement that the January 20th meeting be cancelled.
 - Ms. Covington asked that the calendar reflect that the Commission will meet on January 6th and January 13th.
 - Director Blackwell made a friendly amendment, due to staff's schedule, that instead of holding a meeting on January 6th, he proposed the first meeting be held on January 13th followed by another meeting on January 27th.
 - Ms. Covington was not in agreement and stated that the meeting would be held January 6th.
- Commissioner Covington stated that Commissioner King mentioned Election of Officers for the Commission and asked for feedback on whether they preferred to hold the elections in December or the first week in January.
 - General Counsel Morales stated that the by-laws indicate that the Commission should hold the election at the last meeting in December, and if for some reason you are unable to do so, it can be held in January or February.
- Commissioner Covington stated that she did not see any reason why it should not be held at the last meeting in December.

8. **REPORT OF THE EXECUTIVE DIRECTOR:**

- Updated the Commission on the grant submittal to the State for Prop 1C funding for Brownfield cleanup. Partner in Visitation Valley, UPC, applied for \$3.5M for Brownfield clean up through the program. Staff recommendation at the State level is \$3.4M of the \$3.5, and hopeful that the Board will approve the staff recommendation.

9. COMMISSIONERS' QUESTIONS AND MATTERS:

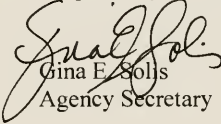
- Commissioner Breed thanked her fellow Commissioners for all of their support and patience while she was out for the month of October; she was in Cleveland, Ohio working for someone very important to this country. Understands it is hard making decisions on the Commission and when Commissioners are absent, the remaining Commissioners have to deal with all the drama that comes with making decisions, and can be very tedious. Ms. Breed thanked all her fellow Commissioners who showed support to her while she was out during the month of October.
- Commissioner Swig stated that there were some critical dates in the Fillmore Grant Program, one on December 17th, the first meeting of the grant review Board, asked to confirm if that the schedule will be kept.
- Commissioner Swig congratulated Mr. Charles Range on his groundbreaking, and the best of success on his project.

- 10. CLOSED SESSION:** Pursuant to Government Code §54956.8 to instruct the Agency's real property negotiators with respect to the disposition of the Municipal Railway Substation building located at 1140 Fillmore Street in the Western Addition Redevelopment Project Area A-2. The party with whom the Agency may negotiate with is the City and County of San Francisco. Agency negotiators: Fred Blackwell, Stephen Maduli-Williams, Gaynell Armstrong-McCurn, Andrea Baker, Angela Heyward, Ricky Tijani and Su-Syin Chou.

11. ADJOURNMENT:

It was moved by Commissioner Breed, seconded by Commissioner Swig, and unanimously carried that the meeting be adjourned at 9:05 p.m.

Respectfully submitted,


Gina E. Solis
Agency Secretary

ADOPTED:

DECEMBER 2, 2009

**MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
2nd DAY OF DECEMBER 2008**

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 2nd day of December 2008, at the place and date duly established for holding of such a meeting.

President Francee Covington called the meeting to order at 4:00 p.m.

Ms. Covington welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Ms. Covington asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Ms. Covington stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Francee Covington, President
London Breed, Vice President
Ramon E. Romero
Rick Swig

Leroy King arrived at 4:05
Darshan Singh arrived at 4:05

Linda A. Cheu absent

Fred Blackwell, Executive Director, and staff members were also present.

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2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.

**CONTINUED CLOSED SESSION FROM THE REGULAR MEETING OF
NOVEMBER 18, 2008:**

Closed Session: Pursuant to Government Code §54956.8 to instruct the Agency's real property negotiators with respect to the disposition of the Municipal Railway Substation building located at 1140 Fillmore Street in the Western Addition Redevelopment Project Area A-2. The party with whom the Agency may negotiate with is the City and County of San Francisco. Agency negotiators: Fred Blackwell, Stephen Maduli-Williams, Gaynell Armstrong-McCurn, Andrea Baker, Angela Heyward, Ricky Tijani and Su-Syin Chou.

3. MATTERS OF UNFINISHED BUSINESS.

CONTINUED FROM THE REGULAR MEETING OF NOVEMBER 18, 2008

Agenda Items 3(a), (b) and (c) were presented together, but acted on separately

- (a) Resolution No. 136-2008, Certifying the Final Environmental Impact Report for the 69-unit mixed-use project at 1450 Franklin Street (Block 671, Lot 6) pursuant to the California Environmental Quality Act; Western Addition Redevelopment Project Area A-2.
- (b) Resolution No. 137-2008, Considering the adoption of environmental findings and a Statement of Overriding Considerations pursuant to the California Environmental Quality Act and authorizing an Owner Participation Agreement with Pacific Heights Franklin Partners, L.P., a California limited partnership, as to an undivided ½ interest and, Pacific Heights Franklin Partners II, L.P., a California limited partnership, as to an undivided ½ interest, as tenants-in-common, for a 69-unit mixed-use project at 1450 Franklin Street (Assessor's Block 671, Lot 6); Western Addition Redevelopment Project Area A-2.
- (c) Resolution No. 138-2008, Considering the conditional approval of a schematic design for a 69-unit mixed-use project at 1450 Franklin Street (Assessor's Block 671, Lot 6); Western Addition Redevelopment Project Area A-2.

Presenter: Amy Neches, Agency Staff

Speakers: Barbara Meskunas, Wade Woods, Stephen B. Haigh, Merle Easton, Patricia Lovelock, Dan Schalit, Courtney Damkroger, Bridget Maley, Jack Gold, Kaleene Kenning, Katherine Petrini, Mrs. Bland Platt, Andres Grechi, Jim Warshell, Arnold Townsend, David Silverman, Jim Helfrich

Commissioner Romero stated that he was not present when this item was discussed two weeks prior but paid close attention to the arguments being made, read the materials, and stated that he was not persuaded by the historical preservation argument. Mr. Romero stated that the benefits of the Community far outweighed the historical preservation issue. Mr. Romero made a motion to adopt the three resolutions with the amendment of the nine affordable housing units instead of the seven.

General Counsel Morales clarified that the first action before the Commission is the EIR only.

Commissioner Romero asked for clarification on which resolution would be appropriate for the amendment for the purposes of adding additional affordable units.

General Counsel Morales stated resolution 3(b), considering the adoption of environmental findings, statement of overriding considerations and authorizing an Owner Participation Agreement.

Commissioner Romero stated that his motion would be to amend resolution 3(b) for the nine units instead of seven. Mr. Romero stated his motion was to move 3(a) as is, for certification.

Commissioner Swig asked for clarification; what were the significant differences between the original design and the new design presented by the architect, i.e., format, footprint, number of units, parking.

Mr. Helfrich stated there would be no changes; they have a site permit that has been signed by all departments, and are suggesting that the elevations be amended to show the existing building, and that the existing façade design of the building be retained.

Commissioner Swig asked General Counsel Morales for clarification as to whether the approval of the EIR was contingent upon an alternative design or on any design that includes 69 units and 70 parking spaces.

Commissioner Covington stated that the design is covered under agenda Item (c), and would have to vote separately under that item.

Commissioner Swig asked if he were favorable to the change in design, would approval of the EIR be contingent on the approval of the change of design. Mr. Swig stated that he did not want to approve the EIR without recognizing that it is contingent upon the new design.

General Counsel Morales stated for clarification that the question from Mr. Swig is, does the EIR cover the revised design. Mr. Morales stated that it is the developer's position that it is a very modest change in the building that is encompassed by the design studied in the EIR which was originally presented to the Commission because it is basically a façade treatment of the lower two floors. Mr. Morales stated that based on that, the EIR covers the modest variation in the façade of the first two floors that Agency staff could consider and work with the developer to approve.

Commissioner Swig, asked, in reference to Agenda Item (c), if there is a move for Item (c) or not, if his concern to include the new design versus the original design, asked if the resolution should be modified accordingly.

General Counsel Morales stated that if it does get to that point, the record would indicate that Mr. Swig would like Agency staff to consider a revised design that was proposed at this meeting and adopt the resolution with that in mind. Mr. Morales stated that the resolution can be adopted but will note for the record, and Mr. Swig can amend the resolution if he chooses, to note that the Commission prefers the slight change.

Commissioner Swig thanked Mr. Morales for the clarification, and also thanked the developer further explanation of providing the backup for the alternatives which were requested at the last meeting. Mr. Swig stated his concerns was that there were not enough affordable units due to operating under the old rules and there was no compromise to help

that process along; secondly, that the alternatives b and c were not financially feasible is appreciative of the proof presented. Mr. Swig stated that in looking at the draft statements of considerations and the five items, and in consideration of the neighborhood and the CAC, that housing is a very important component, and acknowledged that Redevelopment is in a very interesting position stating that if this is not passed and went to planning, it would not even come close. Mr. Swig stated that he would like to support the item and would like to reiterate Mr. Romero's position, and accept the offer of the developer to raise the affordable unit level to nine. Mr. Swig stated based on those amendments, and in consideration of the new design, Mr. Swig seconded Mr. Romero's motion.

Commissioner Breed stated that the item was not an easy decision to come to due to the many factors. Ms. Breed stated that she has driven by the location and has struggled with the decision and stated that she does not see what the big fuss is over the particular facility. Ms. Breed indicated that she understood the historic district along the Van Ness corridor and auto row, and stated that she does not believe the development is not part of the historical district. Ms. Breed stated that the particular building is not a historic building, which is a fact, and stated that it should not be held off until there is a possibility. Ms. Breed stated that she could not see why they would not move forward with the project because it has many opportunities that are attached with it, had it not had the opportunities; she would not have supported the project and continued to leave the project as is. Ms. Breed stated, with all the opposition that's come to play with the particular project, with the BMR units having gone from 10% to 15%, means that people who make 100% medium income range would be able to live in the units. Ms. Breed also stated that the developers have reached out to the entities that are working with the job opportunities in the Western Addition will have priority in the last project in the Western Addition. Ms. Breed indicated that the Commission had asked the developers when they were before them in August and asked them to go meet with the members of the Community, they did that, and the members of the community are not back complaining about the area or what was before. Ms. Breed stated that there was a group of new people at the meeting due to the EIR, but believes that they need to move forward with the project and would be willing to support the project with the mandate that there is local hiring, and the mandate that it is a requirement that the affordable units are placed as a part of the project. Lastly, Ms. Breed stated that she understands that by tearing down an alleged historical structure, and rebuilding, is not the same thing but would like to see the design mimic what existed there before to maintain the character of the area.

Commissioner Singh stated that he agrees with Commissioner Romero to increase the affordable units to nine, agrees with Commissioner Swig's recommendations, and supports the project.

Commissioner King stated that he was around in the 1980 when the removal of the community started, when they sat in on auto row trying to get jobs, trying to stop the developers. Mr. King stated that it is not a historical site, supports the project because they are getting more opportunities and stated that the proposal is something they can live with and would be good for the community will produce jobs for the community and affordable units for the community. Mr. King asked his fellow Commissioners to support the project, and to move it forward.

Commissioner Covington asked what was on the first two floors.

Ms. Neches stated the first two floors would be parking. The ground level would be the lobby and commercial area, the level below and one level above would be parking.

Commissioner Covington asked what the contribution to the Preservation Fund would be and how much the amount was arrived at.

Ms. Neches stated that the proposal was if the Van Ness corridor historic district were established, the requirement would be that property owners contribute to the historic fund; the project would be included as well.

Commissioner Covington inquired as to the construction and permanent jobs for the project.

Mr. James Fields, Contract Compliance Supervisor, stated that the temporary construction jobs are indicative of the types of the trades that are used in the standard building construction both on agency contracts and other construction contracts of the same type throughout the city. Mr. Fields stated that it would generate a range of various trades beginning with laborers work, carpenters, iron work, electrical, plumbing, fire protection, roofing, windows, and interior finishes. Mr. Fields stated, with respect to permanent in jobs, there would probably be building and grounds maintenance, and other services needed to support both a residential building and a commercial building.

Commissioner Covington indicated that she agrees with the statements made by her fellow Commissioners, and stated that the draft statement of considerations prepared for the Commission is a five item statement and felt that it was important to read.

“The Draft Statement of Considerations prepared for consideration by the Commission includes a number of benefits associated with the proposed project, as follows:

1. The proposed project furthers some of the goals of the Redevelopment Plan.
2. The proposed project will further the City’s General Plan goal related to reduction of urban by sprawl by concentrating high density new housing in the City.
3. The proposed project will create 62 market-rate housing units, thereby increasing the City’s market rate housing supply.
4. The City faces a continuing shortage of affordable housing ownership opportunities. The proposed project will create seven, (which is now nine), on-site affordable home ownership opportunities for low- and moderate-income households.
5. The proposed Project will create a number of temporary construction jobs and may create up to 10 new permanent jobs in the Redevelopment Area.

Commissioner Covington stated for those reasons she just read, and the others reasons she stated at the last meeting, she supports the project. Ms. Covington reiterated that at the last meeting she indicated that she did not want the affordable units to be clustered on the bottom four floors, and for the upper four floors, that was for the initial seven, for the additional two it does not matter to her. Ms. Covington stated that she would like that language included in any documents that are signed by the developer and by the Agency. Ms. Covington stated, in addition that there be nine units, there be a mandate of local labor in terms of the jobs.

Ms. Neches asked for clarification that Ms. Covington's intention for the nine affordable units be distributed evenly throughout the building so they can be distributed amongst all the floors. Ms. Neches stated they would usually be spread fairly amongst all floors.

Ms. Neches stated that this is a challenging time for development, and the staff will, pursuant to the Commissioners' approval, execute the site permit and the demolition permit. Ms. Neches would like to work with the developer to make sure that the developer does not demolish the building until they are actually ready to start construction of the new building.

General Counsel Morales stated the first action would be the certification of the EIR, the threshold issue, once that is certified then the second action would be 3(b) which would be the approval of the project which he believes is the appropriate place to amend and place the new conditions regarding the BMR units, the revised design, and if so inclined, the condition about the timing of the project; and 3(c) would be the schematic design.

Commissioner Romero made a motion to approve 3(a) to approve exactly as it is with no changes, motion on 3(b) is exclusively the only change is to go from seven to nine units, and they were seconded.

Commissioner Swig suggested an addition to be along the same lines of Commissioner Romero's recommendations, supports Commissioner Breeds recommendation in mandating local labor, and adding language which supports President Covington's intention, that "no demolition of the current building until there is some level of proof that financing has been secured, and that the building will successfully be developed with the intent of not only preserving [sic] a building that would unnecessarily be destroyed but also to prevent land banking." In further clarification of the amendment, Commissioner Swig explained that his intent was that "the current building not be demolished until there is proof that financing has been secured and the new building will successfully be constructed... that would eliminate the possibility that we have an empty piece of land and a demolished building unnecessarily."

General Counsel Morales stated to President Covington that he strongly recommends that she take each motion separately, the first being the EIR, the second having multiple amendments which he believes should be considered individually because there may not be agreement amongst all Commissioners as to a particular amendment.

Commissioner Covington stated there is a motion on the floor, Commissioner Romero indicating that there are no changes in terms of the language for Agenda Item 3(a), with a second from Commissioner Swig with no amendments.

Commissioner Romero stated that he agrees with the sentiment with the all the issues that are being raised, but he strongly suspects that the issues have been discussed either at the CAC, between the negotiations with staff and the developer. Mr. Romero stated that his motion stands as stated, change one number, seven to nine.

Commissioner Breed stated that she supports Mr. Romero's amendment to change the number from seven to nine but she felt it was also important that based on the fact that it is being taken into consideration, and an overriding consideration that all of what is anticipated,

all suggestions are met, Ms. Breed stated she would only support the item with the requirements that there is local hiring and small business enterprise and the affordable units.

Ms. Neches stated that the requirements for the participation in local hiring and small business enterprise, and all the agencies other contract compliance programs are already part of the OPA that is being considered and are addressed.

Commissioner Swig stated that there should be "some restriction on tearing down the existing building before financing is secured and there is path for the project to go forward."

Ms. Neches stated that the developer indicated that the condition raised by Commissioner Swig is acceptable.

Commissioner Romero stated that he would add that condition to his motion.

General Counsel Morales stated, for clarification for the record, that there is a motion and a second with two amendments, one related to the number of BMR units, second related to the timing of the demolition and new construction.

Commissioner Romero stated the motion as stated by General Counsel Morales was correct.

Commissioner Covington stated the motion was proposed by Mr. Romero, seconded by Mr. Swig.

Commissioner Breed made a motion to move agenda item (c), taking into consideration the requirement that they do what the developer has proposed in terms of the first two floors of maintaining the overall look of the previous building.

Commissioner Romero stated that he agreed exactly with what Ms. Breed stated but his question was, if the schematic design that was presented, he asked if that was they are approving just with the resolution they have.

General Counsel Morales stated that the developer asked for clarification as to which design was their preference if they were to approve the project. Mr. Morales stated they have both designs before them, the original submission, and the revised design.

Commissioner Covington asked for the Agency's lead architect to show the two designs.

Commissioner Romero stated that Ms. Breed's motion was to approve the revised design and Mr. Romero supported the motion.

Ms. Elena Branick, Agency Architect, stated that the schematic design is a conditional approval, with the conditions to be approved are listed in the resolution. Ms. Branick stated that a condition should be added in the resolution that the development of the façade, consideration for recreating to integrating the present look of the building be carried into the design.

- (d) Resolution No. 136-2008, Certifying the Final Environmental Impact Report for the 69-unit mixed-use project at 1450 Franklin Street (Block 671, Lot 6) pursuant to the California Environmental Quality Act; Western Addition Redevelopment Project Area A-2.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SWIG, AND UNANIMOUSLY CARRIED, THAT RESOLUTION 136-2008, CERTIFYING THE FINAL ENVIRONMENTAL IMPACT REPORT FOR THE 69-UNIT MIXED-USE PROJECT AT 1450 FRANKLIN STREET (BLOCK 671, LOT 6) PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

- (e) Resolution No. 137-2008, Considering the adoption of environmental findings and a Statement of Overriding Considerations pursuant to the California Environmental Quality Act and authorizing an Owner Participation Agreement with Pacific Heights Franklin Partners, L.P., a California limited partnership, as to an undivided ½ interest and, Pacific Heights Franklin Partners II, L.P., a California limited partnership, as to an undivided ½ interest, as tenants-in-common, for a 69-unit mixed-use project at 1450 Franklin Street (Assessor's Block 671, Lot 6); Western Addition Redevelopment Project Area A-2.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SWIG, AND UNANIMOUSLY CARRIED, THAT RESOLUTION 137-2008, CONSIDERING THE ADOPTION OF ENVIRONMENTAL FINDINGS AND A STATEMENT OF OVERRIDING CONSIDERATIONS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND AUTHORIZING AN OWNER PARTICIPATION AGREEMENT WITH PACIFIC HEIGHTS FRANKLIN PARTNERS, L.P., A CALIFORNIA LIMITED PARTNERSHIP, AS TO AN UNDIVIDED ½ INTEREST AND, PACIFIC HEIGHTS FRANKLIN PARTNERS II, L.P., A CALIFORNIA LIMITED PARTNERSHIP, AS TO AN UNDIVIDED ½ INTEREST, AS TENANTS-IN-COMMON, FOR A 69-UNIT MIXED-USE PROJECT AT 1450 FRANKLIN STREET (ASSESSOR'S BLOCK 671, LOT 6); WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2 BE ADOPTED, AS AMENDED.

- (f) Resolution No. 138-2008, Considering the conditional approval of a schematic design for a 69-unit mixed-use project at 1450 Franklin Street (Assessor's Block 671, Lot 6); Western Addition Redevelopment Project Area A-2.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, THAT RESOLUTION 138-2008, CONSIDERING THE CONDITIONAL APPROVAL OF A SCHEMATIC DESIGN FOR A 69-UNIT MIXED-USE PROJECT AT 1450 FRANKLIN STREET (ASSESSOR'S BLOCK 671, LOT 6); WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED, AS AMENDED.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- (a) Approval of Minutes: Meeting of November 18, 2008.

- (b) Resolution No. 139-2008, Authorizing a First Amendment to the Tax Increment Loan Agreement with Tenderloin Neighborhood Development Corporation, a California Nonprofit Public Benefit Corporation, to update the Schedule of Performance and to allow the Executive Director, or his designee, to approve project budget line-item transfers in conjunction with the predevelopment of approximately 80 very low income rental units, plus two managers' units, located at 249 Eddy Street, and 161-165 Turk Street; Citywide Tax Increment Housing Program.
- (c) Resolution No. 140-2008, Authorizing a Third Amendment to the Personal Services Contract with Willie B. Kennedy, a sole proprietorship, dba W. B. Kennedy & Associates, to extend the contract term by six months for the period January 1, 2009 through June 30, 2009, and to increase the contract amount by \$148,500, for an aggregate amount not to exceed \$823,500, to provide administrative support and outreach and information services to the Hunters Point Shipyard Citizens Advisory Committee; Hunters Point Shipyard Redevelopment Project Area.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED, THAT AGENDA ITEM 4(a), MINUTES FROM THE MEETING OF NOVEMBER 18, 2008, (MR. ROMERO ABSTAINED FROM THE MINUTES OF NOVEMBER 18, 2008), AGENDA ITEM 4(b), RESOLUTION NO. 139-2008, AUTHORIZING A FIRST AMENDMENT TO THE TAX INCREMENT LOAN AGREEMENT WITH TENDERLOIN NEIGHBORHOOD DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO UPDATE THE SCHEDULE OF PERFORMANCE AND TO ALLOW THE EXECUTIVE DIRECTOR, OR HIS DESIGNEE, TO APPROVE PROJECT BUDGET LINE-ITEM TRANSFERS IN CONJUNCTION WITH THE PREDEVELOPMENT OF APPROXIMATELY 80 VERY LOW INCOME RENTAL UNITS, PLUS TWO MANAGERS' UNITS, LOCATED AT 249 EDDY STREET, AND 161-165 TURK STREET; CITYWIDE TAX INCREMENT HOUSING PROGRAM, AND AGENDA ITEM 4(C) RESOLUTION NO. 140-2008, AUTHORIZING A THIRD AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH WILLIE B. KENNEDY, A SOLE PROPRIETORSHIP, DBA W. B. KENNEDY & ASSOCIATES, TO EXTEND THE CONTRACT TERM BY SIX MONTHS FOR THE PERIOD JANUARY 1, 2009 THROUGH JUNE 30, 2009, AND TO INCREASE THE CONTRACT AMOUNT BY \$148,500, FOR AN AGGREGATE AMOUNT NOT TO EXCEED \$823,500, TO PROVIDE ADMINISTRATIVE SUPPORT AND OUTREACH AND INFORMATION SERVICES TO THE HUNTERS POINT SHIPYARD CITIZENS ADVISORY COMMITTEE; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

REGULAR AGENDA

(Agenda Items 4(d) and (e) were presented together but acted on separately)

- (d) Resolution No. 141-2008, Authorizing an Exclusive Negotiations Agreement with Mercy Housing California XLIV, a California limited partnership, for the development of very low- and low-income family rental housing at 1000 Fourth Street, also known as Block 13, and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area.

Presenter: Jeff White, Agency Staff

Speakers: Dan Deibel

Commissioner Swig stated that the project has a great team and is exactly what the community needs. Mr. Swig stated his concern in paragraph 3.2.2 which states that the parcel to the west of the site, 70,000 square feet owned and developed by Bosa has been postponed due to market conditions. Mr. Swig stated that his concern that the project is built and there is nothing surrounding it.

Mr. White stated, in the next site to be developed, have considered the location which is across the creek from Mission Creek Senior, close to transit.

Ms. Kelley Kahn stated that the parcel is the closest parcel to Mission Bay North which is 98% complete. Ms. Kelley stated that the transit infrastructure is already in Fourth Street, less than a block from the transit stop, they are immediately across the street from a park that has already been built and is opened, one block from the new Mission Bay public library, and two blocks from the Safeway. Ms. Kahn stated that they do not feel that the project is being built in an area of blight; it is in an active and complete area. Ms. Kahn indicated that the site is well served by existing built infrastructure and has many services that already exist.

Commissioner Romero stated that, as mentioned in the staff report, the project is consistent with the Mayor's plan to end chronic homelessness. Mr. Romero stated there was another similar project a few months ago with concern about not an appropriate location, and stated that it is very important that these types of buildings are not isolated and should be built throughout the City, and stated he supports the project.

Commissioner Covington stated that it is her opinion that sometimes it is better that the affordable housing goes in first because people have more of a sense of ownership of the neighborhood. Ms. Covington stated that she is glad there is teen hangout space but asked if the space was sufficient.

Mr. White stated that there is also a 2,350 square foot community meeting room which has a variety of uses for it.

Commissioner Covington asked if the teen space was manned by an adult.

Ms. Jane Graff, President of Mercy stated the teen space is a living room area for teens which is always supervised by their resident service coordinator.

Commissioner Covington asked for clarification of 4.3, Article 34 Authority.

Mr. White indicated that it states that staff received a letter from the Mayor's Office of Housing that they have article 34, authority for the units.

ADOPTION: IT WAS MOVED BY MS. SWIG, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, THAT RESOLUTION 141-2008, AUTHORIZING AN EXCLUSIVE NEGOTIATIONS AGREEMENT WITH MERCY HOUSING CALIFORNIA XLIV, A CALIFORNIA LIMITED PARTNERSHIP, FOR THE DEVELOPMENT OF VERY LOW- AND LOW-INCOME FAMILY RENTAL HOUSING AT 1000 FOURTH STREET, ALSO KNOWN AS BLOCK 13, AND ADOPTING ENVIRONMENTAL

FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- (e) Resolution No. 142-2008, Authorizing a Predevelopment Loan Agreement not to exceed \$2,800,000 with Mercy Housing California XLIV, a California limited partnership, for predevelopment activities related to 134 units of very low- and low-income family rental housing at 1000 Fourth Street, also known as Block 13 East, and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area.

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, THAT RESOLUTION 142-2008, AUTHORIZING A PREDEVELOPMENT LOAN AGREEMENT NOT TO EXCEED \$2,800,000 WITH MERCY HOUSING CALIFORNIA XLIV, A CALIFORNIA LIMITED PARTNERSHIP, FOR PREDEVELOPMENT ACTIVITIES RELATED TO 134 UNITS OF VERY LOW- AND LOW-INCOME FAMILY RENTAL HOUSING AT 1000 FOURTH STREET, ALSO KNOWN AS BLOCK 13 EAST, AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- (f) Resolution No. 143-2008, Authorizing a Personal Services Contract with McCoy's Patrol Service, a California corporation, to provide patrol and security services at the Hunters Point Shipyard for an initial term of three years beginning on January 1, 2009 and ending on December 31, 2011, for a total aggregate amount not to exceed \$998,592 (which amount shall be paid with non-Agency funds), with options to extend the contract for two additional, one-year terms, subject to the appropriation of funds by the United States Department of the Navy; Hunters Point Shipyard Redevelopment Project Area

Commissioner Covington stated that McCoy's Patrol Service is currently being compensated \$28,567 a month for their services but their bid is lower for the next three years at \$27,057 per month, would like to make sure that was reviewed carefully by the panel and that there are no cost overruns.

Ms. Kay stated that she spoke to the CEO of McCoy's Patrol Service, Jacqueline McCoy, and she feels that is how much she can do the contract for.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED, THAT RESOLUTION 143-2008, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH MCCOY'S PATROL SERVICE, A CALIFORNIA CORPORATION, TO PROVIDE PATROL AND SECURITY SERVICES AT THE HUNTERS POINT SHIPYARD FOR AN INITIAL TERM OF THREE YEARS BEGINNING ON JANUARY 1, 2009 AND ENDING ON DECEMBER 31, 2011, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$998,592 (WHICH AMOUNT SHALL BE PAID WITH NON-AGENCY FUNDS), WITH OPTIONS TO EXTEND THE CONTRACT FOR TWO ADDITIONAL, ONE-YEAR TERMS, SUBJECT TO THE APPROPRIATION OF FUNDS BY THE UNITED STATES DEPARTMENT OF THE NAVY; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- (g) Resolution No. 144-2008, Authorizing a Letter Agreement with the Department of Economic and Workforce Development, in an amount not to exceed \$239,000, to provide employment development and training services in the Western Addition Redevelopment Project Area A-2; Western Addition Redevelopment Project Area A-2.

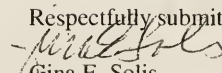
Presenter: Angela Heyward, Agency Staff

Speakers: Ace Washington

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, THAT RESOLUTION 144-2008, AUTHORIZING A LETTER AGREEMENT WITH THE DEPARTMENT OF ECONOMIC AND WORKFORCE DEVELOPMENT, IN AN AMOUNT NOT TO EXCEED \$239,000, TO PROVIDE EMPLOYMENT DEVELOPMENT AND TRAINING SERVICES IN THE WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2; WESTERN ADDITION REDEVELOPMENT PROJECT AREA, A-2BE ADOPTED.

5. **MATTERS NOT APPEARING ON AGENDA:** None
6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**
7. **REPORT OF THE PRESIDENT:**
- Asked that the technical monitors be fixed
8. **REPORT OF THE EXECUTIVE DIRECTOR:**
- Informational memo on intent to release an RFP to bring on a consultant to help the Agency with mapping and automating the various documents from the Agency, the Mayor's Office of Housing, and the Mayor's Office of Community Investment.
- President Covington stated that the Commissioners do not have a copy of the Informational Memo and requested a copy.
9. **COMMISSIONERS' QUESTIONS AND MATTERS:** None
10. **CLOSED SESSION:** None.
11. **ADJOURNMENT:**

It was moved by Commissioner King, seconded by Commissioner Swig, and unanimously carried that the meeting be adjourned at 8:40 p.m.

Respectfully submitted,

Gina E. Solis
Agency Secretary

ADOPTED:

December 16, 2008

**MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
9TH DAY OF DECEMBER 2008**

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a Special meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 2:00 p.m. on the 9th day of December 2008, at the place and date duly established for holding of such a meeting.

President Francee Covington called the meeting to order at 2:10 p.m.

Ms. Covington welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Ms. Covington asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Ms. Covington stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Francee Covington, President
London Breed, Vice President
Linda Cheu
Rick Swig

GOVERNMENT
DOCUMENTS DEPT

The following Commissioners were absent:

Leroy King
Ramon E. Romero
Darshan Singh

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Fred Blackwell, Executive Director, and staff members were also present.

- 2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** No Reportable Action.
- 3. MATTERS OF UNFINISHED BUSINESS.** None.

4. MATTERS OF NEW BUSINESS:

REGULAR AGENDA

- (a) Resolution No. 145-2008, Authorizing an amendment to the Redevelopment Agency's budget to: (1) reprogram \$3,301,225 from the Muni Substation line items to the Fillmore Jazz Preservation District revolving loan program line item in the amount of \$2,401,225, to the economic development line item in the amount of \$500,000 and to a new property management line item in the amount of \$400,000; (2) add \$581,000 in Community Development Block Grant program income to the Fillmore Jazz Preservation District revolving loan program line item; and (3) recommend approval of the Agency's budget amendment by the City and County of San Francisco Board of Supervisors; Western Addition Redevelopment Project Area A-2

Presenter: Stephen Maduli-Williams

Speakers: None

Commissioner Covington clarified that the only action being taken for Item 4a is reprogramming of the funds, and to create the funds to drawdown from and bring subsequent recommendations; requesting allocation, not an appropriation at this time.

Commissioner Swig stated that he supports the item and would like to move it forward, but in the context of not destroying the good work that's already been done, and setting the great neighborhood up for failure because time fell short in a 40 year period, he stated that it was incumbent upon the Agency to continue the funding sources and manage those appropriately. Mr. Swig indicated that they move forward in transferring the funds to provide some security to the neighborhood and in reaching the vision that it was intended for it.

Commissioner Breed asked for clarification as to whether the items, once approved by the Commission, if they would still need to go before the Board of Supervisors for approval to amend the annual budget.

Director Blackwell stated that to be correct the Board of Supervisors need to approve the budget amendment before any funds are distributed.

Commissioner Breed asked what impact the decision would have on the overall budget with the new proposed budget cuts once it gets to the board.

Director Blackwell stated that he has been meeting with Supervisor Mirkarimi about sponsoring the legislation and providing leadership at the Board of Supervisors level, and in terms of the general fund, the impact would be zero. Mr. Blackwell stated that the dollars are already in the budget line item and will be going to the Board of Supervisors to transfer the funds into a new line item; it does not have any general fund impact. Director Blackwell indicated that the

line items are already in the budget and the cuts the staff will be asking for at the state level will be before the commission at a future date for another budget amendment; those line items will not be affected by the overall budget picture for the Agency.

Commissioner Breed stated that once the Agency exits the project area, there will be a small amount of money remaining in the revolving loan fund, and asked if the Commission will still have the authority to vote how that money is distributed or is the plan to transfer that money over to MOCI for their use in the project area.

Director Blackwell stated that action would be before the Commission at the December 16th meeting; staff's recommendation will be that the Agency transfer future administration of the revolving loan fund to MOCI.

Commissioner Breed seconded the motion.

Commissioner Cheu stated that she agrees with Mr. Swig's comments, given the economic times, the Agency needs to support and do everything possible so that when the economy does improve, the Agency will be in a good position to recapture on that and make sure that the district is still there. Ms. Cheu stated that she supports both items.

Commissioner Covington indicated that there has been sufficient background on this, and are in consensus on the importance of these matters. She asked how long will it take to get to the Board of Supervisors and get action from them, and if it can be done this month.

Director Blackwell stated that it would be unlikely that it will be able to do so in December, may be introduced to the Board of Supervisors on Dec 16th, and then fall under the Board of Supervisors 30 day rule, assigned to the Finance Committee, and then back to the Board of Supervisors for their approval; It may be mid January and the full Board by the end of January. Mr. Blackwell indicated that of the four loans that will be before the Commission on Dec. 16th, three of them are not time sensitive, but Food for Soul is currently time sensitive; the source of funds would be CDBG funds. Mr. Blackwell stated today's actions are the funds that are being reprogrammed for the Muni Substation line item.

Commissioner Covington asked if the Board of Supervisors does not approve the reallocation, what happens to the money.

Director Blackwell indicated that the money stays with the Muni Substation and the Agency as the property owner until such time the Agency negotiates with the City to transfer it back to the City. Mr. Blackwell stated that the main objective, before the expiration of the project area, is to allocate those funds which have not already been allocated.

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED, THAT RESOLUTION 145-2008, BE ADOPTED.

- (b) Approving an amended Fillmore Jazz Preservation District Revolving Loan Program to provide Façade Improvement, Tenant Improvement and Business Assistance Loans to Business and Property Owners in the Fillmore Jazz Preservation District; Western Addition Redevelopment Project Area A-2.. (Resolution No. 146-2008)

Presenter: Stephen Maduli-Williams, Agency Staff

Speakers: None

Commissioner Swig stated, in the spirit of what he communicated in the previous item still stands, and in general supports the items. It is very important, while the agency is being very benevolent to the private sector businesses, that the benevolence not be taken lightly because any other situation outside of current circumstances, which he acknowledges as being a special circumstance, and must go forward with. If it was any other situation, these businesses would not be afforded this opportunity in any way shape or form, and they would simply be allowed to go out of business, and wants to make sure as this agency provides the funds, that the businesses understand the gravity of the situation but also the extreme benevolence and opportunity that this presents to them as private sectors and individuals. Mr. Swig stated that once the funds are authorized that they are managed fully and that the beneficiaries are held accountable.

Mr. Maduli-Williams stated that the staff has been working with the businesses on a fairly intense basis to get a better understanding of where they are operationally. The second component is working with consultants and engaging with the restaurant consultant to help with the disbursement process on a case by case basis. Some funds will be disbursed up front, whereas others will be disbursed when it is absolutely needed, and set some benchmarks for them to hit over the next twelve months, and funds will be disbursed so long as they have proven that they reached their benchmarks. The restaurant consultants will provide initial analysis to where they are and make recommendations and provide support to them for several months. Mr. Maduli-Williams stated that if they do not succeed with the efforts the agency has made in this endeavor, the staff would feel comfortable that the staff has done everything they could do to point them in the right direction to be successful, and in order for them to move forward, it is a function of them taking the advice and doing everything they need to do to move and being adaptive and reflective of the current situations. Mr. Maduli-Williams stated that all the entrepreneurs have something in stake, have put their own equity into their businesses. Some have more at stake than others, but all people have something at risk. If the door closes they will all feel the pain, and it would not be the case of it only being agency money. As an

Agency, the staff feels comfortable that they have done all that they can do to put them in the position to be successful.

Commissioner Swig asked, on the subject of accountability, what the method of accountability and the level of punitive step would be, and if the restaurant consultant determines that the restaurants are to take certain steps and they do not take the advice, what is the accountability for not taking the advice.

Mr. Maduli-Williams stated that they would not be given any funds.

Commissioner Swig asked if they are clear that they would not get the rest of the money.

Mr. Maduli-Williams confirmed.

Commissioner Swig stated, with regard to Yoshi's, since it is paying off existing debts to an original loan construction, are the construction bills which have gone unpaid.

Mr. Maduli-Williams confirmed.

Commissioner Swig asked agency management to make sure that the bill is not being paid for what it says but that the bill is reviewed and identified as to the validity of each expenditure, that there won't be some self rewarding fees to any of the principles that are abundant.

Mr. Maduli-Williams stated that they have had meetings with the general contractor and the private equity investor involved in the transaction and have made it clear to them that the agency is not prepared and left them to come back to staff in terms of a cost.

Commissioner Swig asked Director Blackwell where are the teeth in the resolution that affirm to the Commission that this is not just conjecture and intent, but in fact, will be practiced that the funds will not be allocated unless the potential participant complies to specific agency direction, and that every effort will be made to review every construction bill and look for reductions if possible.

Mr. Maduli Williams stated that it would not be in this resolution but there will be some language in the staff report and resolution that will be presented to them on the 16th that addresses all the issues.

Commissioner Swig clarified that the present resolution is the midpoint that makes the funds available to get into the distribution of the funds for practice.

Director Blackwell described it as a three step process. The first is the action to create the fund reestablishing the criteria that will be used to evaluate whether or not the staff will even bring to the Commission a recommendation for the

loans which sets the policy and criteria for the revolving loan; that would be a resolution in itself; the third step and action at the Dec. 16th meeting will be individual presentations of each loan and each will have underlying documents which will include the loan agreements and the resolutions which will have substantiality with regard to how funds will be disbursed. It will describe the negotiation that took place for each loan, and will have all the business owners and subcontractors at the meeting.

Commissioner Swig made a motion to move the resolution.

Commissioner Breed stated that she wants to make sure that when the loan requests from the particular businesses come back to the Commission, to have a clear number of the investment from each of the businesses and understand the issues around collateral so they can have the information to make the best decision. She stressed that it is clear they are dealing with each of the businesses on an individual basis and what the plans are for those businesses as it relates to the loan monies. Commissioner Breed made a motion to second.

Commissioner Cheu asked how flexible the dollars are and if they will have an opportunity to get the benefit from the consultant first.

Mr. Maduli-Williams stated that both consultants are making impromptu visits as diners to all four restaurants to get their own perspective about what is going on both on slow as well as busy days, believes they will come back with good recommendations. Three of the businesses will only be disbursing 50% of the dollars up front for immediate needs such as suppliers that are critically past due. In the case of Sheba's, some of the money will be to buy equipment that they are currently leasing which is a tenant improvement but brings cash into the business. In terms of the MOU with the Mayor's office to do marketing, the plans are to coordinate with the consultant for the marketing efforts so they can do marketing from a global perspective so the restaurants do not need to market the district.

Commissioner Covington stated that the resources are not expended until there is an overall agreement on the part of the consultant and the business owners. Yoshi's has been given \$7.2M, 1300 on Fillmore - \$3.4M, Sheba, \$3.55M, and Rasselas \$1.27M in loans. Ms. Covington stated that she agrees with Commissioners Swig and Breed that the business owners understand that this is the Agency's best effort to help them in these trying times, that the Agency is giving up a promise of a development of a key space in the corridor in the muni substation so that dollars are shifted to help shore them up.

Commissioner Swig wanted to reiterate what he heard from his fellow Commissioners and that at the Dec 16th meeting, he would highly recommend that the staff communicate to the restaurants who will be the beneficiaries of these funds and that they have a detailed, specific, and in-depth redundancy plan, and in consideration of what Ms. Covington said, if he does not see that no matter how he feels about the future of the neighborhood, the community,

and all the things he truly honestly feels and supports, he cannot support going forward with the loans unless he knows that these monies are going to be religiously, responsibly, deeply, and considerably spent for all the right reasons with the very clear direction.

Commissioner Covington asked what kind of marketing help the restaurants are receiving at this time.

Mr. Maduli-Williams stated that currently, there has not been any marketing since the promotions office closed but marketing assistance attached to the restaurant consultant, which will be part of their scope of work will be presented December 16th.

Commissioner Covington stated that this is a missed opportunity since it is the Holiday season and there's a tremendous drop off after the New Year which is the time to increase marketing to get people in the door. Ms. Covington asked that the staff revisit that.

Commissioner Breed stated that she vaguely recalled that the Commission had asked that they move forward on allowing someone to do marketing for the jazz district on a more immediate basis while a plan was being worked out and come back to the Commission with a more in-depth plan. Ms. Breed indicated that the Executive Director has within his jurisdiction to enter into that agreement at this time. She reiterated what President Covington stated in terms of moving forward more aggressively in terms of the marketing aspect.

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 146 - 2008, BE ADOPTED.

- (c) Authorizing a Personal Services Contract with Japantown Taskforce, Inc, a California Nonprofit Public Benefit Corporation, in an Amount Not to Exceed \$63,000 to Complete the Formation of the Japantown Community Benefits District; Western Addition Redevelopment Project Area A-2. (Resolution No. 147-2008)

Director Blackwell recommended this item be continued

Speakers: None

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SWIG, AND UNANIMOUSLY CARRIED, THAT ITEM 4(c) BE CONTINUED.

- (d) Resolution No. 148-2008, Authorizing a Letter Agreement With the City and County of San Francisco Department of Public Works in an Amount Not to Exceed \$1,800,000 to Make Certain Repairs to the Fillmore Streetscape Improvements and to Maintain the Fillmore Streetscape Improvements as City-Owned Property; Western Addition Redevelopment Project Area A-2.

Presenter: Gaynell Armstrong-McCurn, Agency Staff

Speaker: Arnold Townsend

Commissioner Breed stated, in reference to the Blue Bridge in terms of the graffiti and vandalism, she noticed there are plans to do graffiti film replacement and asked if there were any other options explored for the area.

Ms. Armstrong stated that they have explored removing the art work to a variety of different locations: the airport and Safeway incorporating it as part of the store; Fillmore Heritage Center to wrap around the building by the garage; all of which did not work out. Ms. Armstrong indicated that it was decided that the purpose of the bridge was to connect the two communities, and that the poem on the bridge related to the Japanese Community and the Fillmore, and should be kept in place.

Commissioner Breed expressed her concerns about the Fillmore overall, landlords that do not take care of their properties and areas in the Fillmore that are not rented to anyone. But if there are entities that need the agency's assistance before they are closed out, she suggested that they work with the Agency to resolve their issues so the Agency can be a better community partner prior to our exit. Commissioner Breed made a motion to move item 4(d).

Ms. Armstrong stated that there is a Community Benefit District, and in terms of the way some of the properties look on the outside, they will be working on some guidelines for the facades for some of the buildings.

Commissioner Breed stated that it should be clear what properties the Agency owns and try to resolve the issues on those properties, especially the area where the sidewalks are buckling from the trees.

Ms. Armstrong stated that the agency owns three properties in area: Parcel 725C (driveway), the Muni Substation, and 1345 Turk Street.

Commissioner Breed asked if the agency is still responsible for the sidewalks.

Ms. Armstrong stated that the agency is still responsible for the sidewalks as part of the encroachment permits that the Board of Supervisors approved and will be responsible until the encroachment permit has been terminated. Ms. Armstrong indicated that funds include the complete repair of the sidewalks and DPW will be working in tandem with replacement of lights, sidewalks

will be lifted and replaced, trees will either be removed or roots will be shaved on a block by block basis.

Commissioner Cheu seconded the motion.

Commissioner Covington asked what the timeline was for the improvements.

Ms. Armstrong stated that the encroachment permit would be on the same schedule as the budget amendment request to the Board of Supervisors, and as soon as that is approved and DPW gets the money, they will start.

Commissioner Swig asked how the redevelopment holds DPW accountable for completing the work with the funds being allocated.

Mr. Andrico Penick, Deputy General Counsel, stated the issue was addressed in the Letter Agreement through the payment schedule. DPW will be receiving 40% of the funds within ten days of execution of the letter agreement, six months later will receive another 40%, and then the last two payments are conditioned upon their completion of the work. Although the letter agreement has a 24 month time period it is anticipated that the majority of the work will be done within twelve months; there is a provision if DPW is in default of the schedule, the Agency can withhold payment until that default is cured.

President Covington asked the Director of Public Works if he had any comments.

Mr. Ed Reskin stated that DPW has been working with Agency staff for more than six months, have met with various community members, and with the CBD. Mr. Reskin stated that their incentives are in line once the Board of Supervisors acts to revoke the encroachment permit they then assume responsibility; so to the extent that they did not perform they would be leaving themselves with a problem. They have every incentive not just to do the right thing for the community but to do the right thing for their own future maintenance of the improvements. Mr. Reskin stated that the DPW is honored to be able to participate.

5. MATTERS NOT APPEARING ON AGENDA: None

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

Speaker: Eris Edgerly

7. REPORT OF THE PRESIDENT:

- Thanked fellow Commissioners for taking the time from their busy schedules for attending the Special meeting
- Anticipates a long session at the Dec. 16th meeting
- Election of Officers is scheduled for the Dec 16th meeting

- Welcomed Commissioner Cheu back and congratulated her on the birth of her baby son.

8. REPORT OF THE EXECUTIVE DIRECTOR:

- RFP with MOH and MOCI to engage in a more efficient process in automating paperwork.

9. COMMISSIONERS' QUESTIONS AND MATTERS:

- Commissioner Breed stated that she attended a meeting for Commission Presidents and Vice Presidents regarding the midyear cuts that the Mayor is proposing for the City – stated that it will be a huge hit to the city overall, there will be an impact to the Agency, but understands there are general fund cuts ahead of the Agency. The Mayor asked that the City make some of the best decisions as it relates to those cuts, but are inevitable. Asked Director Blackwell to keep the Commission posted so that they are aware of situations and matters that come up.
 - Mr. Blackwell stated that the City is looking at a \$120M shortfall in the existing budget year and the projections for the upcoming budget year are close to half a billion dollars. Although the Agency is not directly impacted this fiscal year, eventually the pains that are being felt within the City will also be felt within the Redevelopment Agency. Mr. Blackwell stated that one of the strategies that the Mayor's Office is putting forward in terms of stimulating and maintaining momentum is to look at large capital projects that are already in the pipeline that already have financing whether they're being publicly financed into pushing those projects forward. Mr. Blackwell stated that the Mayor does not want to wait for the economy to revive itself if the Agency already has projects that already have their financing in place and have significant public financing; the idea is to push those projects forward so the construction sector in the City does not fall apart. A number of those projects fall under our jurisdiction which includes the Hunters Point Shipyard, and others.
 - Mr. Blackwell stated that the reason why General Counsel James Morales and Deputy Executive Director of Housing, Olson Lee were not present in the beginning of the Commission meeting was because they were at the Board of Supervisors meeting, and the Board of Supervisors just approved the SB2113 amendment to continue to collect tax increment for the purpose of developing affordable housing citywide.
- President Covington expressed her concern about private financial matters of the people who are involved in the Agency's affordable homeownership programs. She would like the Agency to be proactive because a lot of the people who purchased homes through the Agency are the most vulnerable of the employed and does not want them to get too far behind or too far along without knowing that they are having some difficulty. Ms Covington

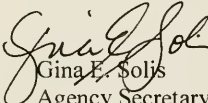
requested that meetings be held to get the kind of help the Agency can give them and let them know that the Agency is here to help them stay in their homes.

10. **CLOSED SESSION:** None.

11. **ADJOURNMENT:**

It was moved by Commissioner Covington, seconded by Commissioner Breed, and unanimously carried that the meeting be adjourned at 3:35 p.m.

Respectfully submitted,


Gina E. Solis
Agency Secretary

ADOPTED:

FEBRUARY 3, 2009

